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MARKETING COMMUNICATIONS RESEARCH CENTRE

HOW WE BELIEVE SPONSOR COMPANIES CAN  
USEFULLY IMPROVE THEIR ADVERTISING  
EFFECTIVENESS AS A RESULT OF THE STUDY  
WE HAVE CONDUCTED

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# HOW WE BELIEVE SPONSOR COMPANIES CAN USEFULLY IMPROVE THEIR ADVERTISING EFFECTIVENESS AS A RESULT OF THE STUDY WE HAVE CONDUCTED

## INTRODUCTION

In this report we set out a compendium of topics upon which we believe management can take action to improve their advertising efficiency.

Each topic is dealt with on one page of the report: it has been reduced to a set of Issues, Examples and Recommendations.

The main points on each topic are shown on the right hand page, while the page opposite either summarises the key points or further illustrates the main conclusions where appropriate.

The topics presented here are those that have emerged from the MCRC's three year empiric study of advertising and the management of its effectiveness. Many of the topics are condensations of reports that have been previously issued by the MCRC during the course of the study.

In the text the use of the words 'product' or 'brand' are all-embracing and refer to any item being advertised, be it a generic product category, individual brand, service or public propaganda. We believe the topics raised in this report have a relevance to the management of advertising for all purposes.

No summary of this report is given: we commend that each topic-page be read and evaluated in its own right.

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# THE PURPOSE AND EVALUATION OF ADVERTISING

OBJECTIVES FOR ADVERTISING

SETTING APPROPRIATE ADVERTISING OBJECTIVES

ATTITUDES AS OBJECTIVES AND MEASURES FOR ADVERTISING

SALES AS AN OBJECTIVE AND MEASURE FOR ADVERTISING

THE EVALUATION OF ADVERTISING EFFECTIVENESS

## Objectives for Advertising

### THE BROAD CATEGORIES OF ADVERTISING OBJECTIVES USED BY THE PRODUCTS STUDIED BY THE MCRC

| <u>ADVERTISING OBJECTIVES</u>                                                                                                 | <u>Frequency<br/>of use</u> (33 products) |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| To create <i>BRANDING &amp; IMAGE BUILDING</i>                                                                                | 23                                        |
| To convey particular <i>MESSAGES</i>                                                                                          | 21                                        |
| To <i>EDUCATE &amp; convey INFORMATION</i><br>(distinguished from <i>MESSAGES</i> by the more<br>factual and objective bases) | 16                                        |
| To affect <i>ATTITUDES</i>                                                                                                    | 13                                        |
| To create <i>AWARENESS</i>                                                                                                    | 9                                         |
| To affect <i>LOYALTY</i>                                                                                                      | 6                                         |
| To gain <i>TRIAL</i>                                                                                                          | 5                                         |
| To act as a <i>REMINDER</i>                                                                                                   | 2                                         |
| To <i>MOTIVATE ENQUIRIES</i> (used in a direct<br>response situation)                                                         | 1                                         |

An example of the way objectives vary with product situation:

| <u>Stage of Product<br/>Life Cycle</u> | <u>Order of frequency for four most frequent<br/>advertising objectives set per product</u> |
|----------------------------------------|---------------------------------------------------------------------------------------------|
| Introduction                           | Branding and Image Building<br>Educate and Convey Information<br>Awareness<br>Messages      |
| Growth                                 | Messages<br>Branding and Image Building<br>Educate and Convey Information<br>Attitudes      |
| Maturity                               | Branding and Image Building<br>Messages<br>Attitudes<br>Information/Loyalty                 |
| Decline                                | Messages<br>Branding and Image Building<br>Information<br>Attitudes/Awareness/Trial         |

## OBJECTIVES FOR ADVERTISING

**ISSUE:** "I know half the money I spend on advertising is wasted; but I can never find out which half." The first Lord Leverhulme.

- \* If advertising is to be effective and handled with the maximum efficiency it is necessary to know what it is intended to achieve. Hence the need for advertising objectives.
- \* Advertising objectives need to be expressed in clear, precise, appropriate, attainable and written terms.
- \* Advertising objectives must be distinguished from marketing objectives, but must be compatible with both these and the overall company goals.
- \* The process of setting precise advertising objectives is an invaluable management discipline which focuses thinking on the service or product.
- \* Objectives ensure that management are aware of the assumptions being made and consequently know the degrees of risk involved.
- \* Precise objectives assist in determining advertising budgets.
- \* Setting objectives aids the appraisal of advertising plans and control of ongoing situations by top management.
- \* Written objectives help the advertising and research agencies to prepare and evaluate relevant plans for advertising practice.
- \* Setting advertising objectives permits meaningful measurement.

### EXAMPLES:

- ☐ The product is in a very competitive market: price sensitive, frequently purchased, little brand loyalty. The objective set was to gain brand share in the total market which is declining. Over a number of years the advertising has been chopped and changed and no clear ADVERTISING OBJECTIVES have been specified. The brand continues to lose market share.
- ☐ A second example is another brand in the same market. Over many years the brand has had precise advertising objectives, and these have been implemented through different executions of the same theme. The brand remains leader.
- ☐ The product had been in the market for many decades. It had been brand leader, but as new products entered the market it began to lose market share. Very thorough research was undertaken over several years to ascertain where the brand should be positioned in a relaunch. When the positioning had been finally established and the objectives adequately defined, the relaunch was undertaken. The brand has reasserted itself, and is now back in a very sound market position. The relaunch was basically an image change.
- ☐ This product is an old established one. It is in a market where the target audience is changing every two years or so. A great deal of work was originally undertaken to define appropriate advertising objectives. Over many years these have remained unchanged. The brand continues to dominate the market.

### RECOMMENDATIONS:

MANAGEMENT MUST KNOW WHAT ADVERTISING CAN ACHIEVE.

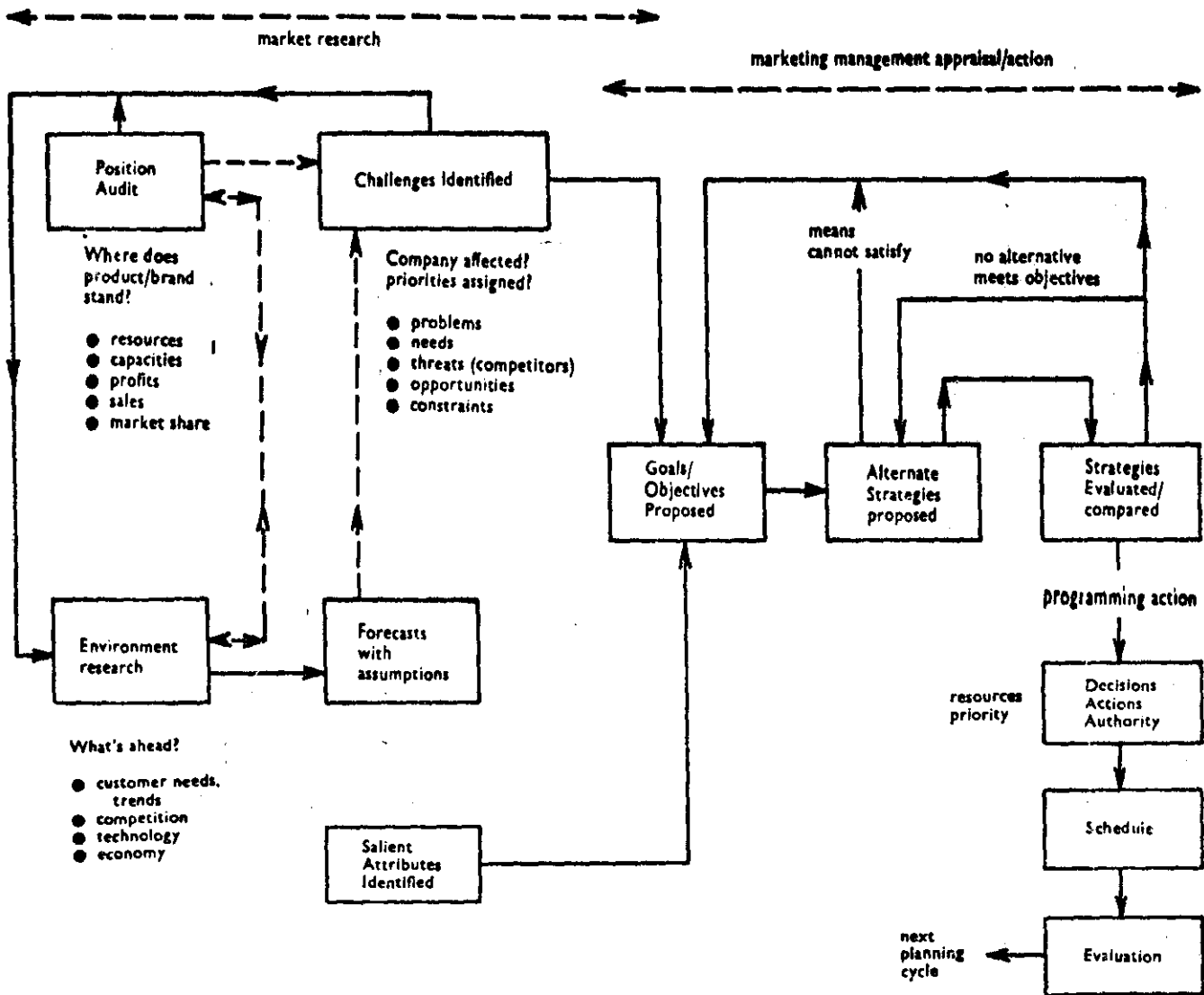
ADVERTISING OBJECTIVES MUST BE SET AND MUST BE DISTINGUISHED FROM MARKETING OBJECTIVES.

IT MUST BE SEEN HOW THE ADVERTISING OBJECTIVES WILL HELP ATTAIN THE MARKETING OBJECTIVES.

ADVERTISING OBJECTIVES MUST BE CLEAR; PRECISE; APPROPRIATE; ATTAINABLE; AND MEASURABLE.

Setting Appropriate Advertising Objectives

**A Planning Framework For Objective Setting**



## SETTING APPROPRIATE ADVERTISING OBJECTIVES

### ISSUE:

- \* Advertising objectives must stem from clear corporate and/or marketing objectives. Each different product and market circumstance must be analysed for its particular advertising requirement.
- \* It is not possible to devise precise advertising objectives for a product by extrapolating broad generalisations about similar products.
- \* Objectives should be expected to change over time particularly if a product is moving from an introductory stage to an established one.
- \* Research can help identify more precisely the ways in which advertising may achieve its desired role in the marketing plan.
- \* The advertising plan should include statements on:
  - . Advertising purpose, expected role in the marketing plan.
  - . The advertisement or campaign sub-objectives of creating or maintaining particular consumer dispositions.
  - . The prime audience and their characteristics.
  - . Media objectives scheduling and plan.
  - . Type and form of expected responses from the intended audience.
- \* The advertiser and his agency should agree and state the theme or creative representation intended to embody the advertising sub-objectives. Those parts that can be substantiated even to a limited degree by pre-testing or reference to other research should be done so.

### EXAMPLE:

- ☐ The company that has with its agency an agreed purpose and format for establishing and working with advertising objectives in creating and managing advertising. It finds diagnosing the advertising contribution to marketing plans more straightforward and actionable conclusions can usually be drawn.

### RECOMMENDATION:

AT SOME POINT IN THE ADVERTISING PLANNING PROCEDURE THE STRATEGY TO FULFILL THE MARKETING PLAN'S NEED FOR AN ADVERTISING INPUT MUST BE DEFINED INTO A SET OF OBJECTIVES TO WHICH EVERYONE CONCERNED CAN DIRECT HIS SUBSEQUENT EFFORTS.

## ATTITUDES AS OBJECTIVES AND MEASURES FOR ADVERTISING

### ISSUE:

- \* To affect a particular attitude is frequently set as a specific advertising objective. It is an objective set in all types of market situation.
- \* In setting an attitude objective the assumption is made that a favourable consumer attitude will lead to the desired behaviour - notably buying behaviour. Such a causal relationship has not been adequately or conclusively established for many circumstances.
- \* To set the advertising objective of creating a 'favourable' attitude among the target population is not sufficiently precise, and, consequently, no measure of achievement can be made. Among the decisions to be taken in defining the objectives are "attitudes towards what?" - the product or brand, or buying the product, are some alternatives. Depending on the specific attitude to be affected and measured, so the form of the information collected will differ.
- \* An attitude is a complex phenomenon. As such, it is unrealistic to put a very precise and simple interpretation on the order of magnitude with which any attitude is held. This is particularly dangerous when the information is being used as the basis of developing or changing an advertising strategy.
- \* Attitudes are influenced by many things, and advertising is simply one of them.
- \* Often attitude surveys are conducted to monitor overall consumer reactions to a product. In these circumstances any measure of an advertising campaign's effectiveness is usually secondary.
- \* One of the problems of interpreting attitude data is that adequate account may not be taken of the many other marketing influences which may be affecting the consumers' reactions; for example increased usage of the product, or the seasonality of the product.

### EXAMPLES:

- The brand was a durable product. It was in a market with a major competitor, and felt that its market share was not as large as it should have been. Research showed that its main competitor enjoyed a favourable attitude on one aspect of product performance: our brand was seen unfavourably on this aspect. Accordingly, a campaign was mounted to improve attitudes towards this aspect. The campaign was successful, but further research showed that this aspect of the product had ceased to be important to the consumer. The brand was deficient and vulnerable as long as it was not seen favourably on this attribute, but the improved attitude did not give it a product plus, as anticipated.
- The product was a commodity, and a campaign had the objective of bringing new consumers into the market by creating a favourable attitude among present non-users. Aggregate survey data showed that in total the product enjoyed subsequently a more favourable attitude score. When segments were looked at, however, it was seen that among the non-users the attitude had not improved, but consumption had. Among the present users the attitude held became more favourable, but there was no change in behaviour. This is an example of the difficulty of simple interpretation from aggregate data.

### RECOMMENDATIONS:

DON'T PUT TOO MUCH RELIANCE ON ATTITUDES INFLUENCING BEHAVIOUR: ESPECIALLY TO THE DETRIMENT OF OTHER MARKETING EFFORTS.

ATTITUDE STUDIES CAN AID AN UNDERSTANDING OF THE CONSUMER. PERHAPS THIS IS THEIR REAL VALUE.

BE CERTAIN THAT YOU SET THE RELEVANT ATTITUDE OBJECTIVE AND MEASURE IT APPROPRIATELY.

DON'T UNDERTAKE ATTITUDE SURVEYS ON AN AUTOMATIC BASIS. DO THEM WHEN THERE IS CAUSE TO.

## SALES AS AN OBJECTIVE AND MEASURE FOR ADVERTISING

### ISSUE:

- \* In many situations a sales objective is stated as an advertising objective: except in special cases like direct response, this is unrealistic. Sales objectives are more correctly marketing objectives, for they cannot usually be achieved through advertising alone.
- \* If a sales objective is set as an advertising objective it requires that the effectiveness of the advertising campaign can be measured by sales achieved. To relate sales to a specific advertising campaign is not often realistic, with the exception of direct response advertising.
- \* Many other factors affect sales performance. It is this which makes it so difficult to relate specific sales changes to any one advertising campaign.

### EXAMPLES:

- [ ] The brand was in a highly competitive market and had set an increased sales performance as an advertising objective. The brand was losing market share, and it was this which led it to set the sales objective. The declining sales were attributed to an ineffective advertising campaign, although no work had been done to demonstrate this. Accordingly, the advertising campaign was changed. The sales volume for the brand continued to decline. Again, the advertising campaign was blamed and, again, it was changed. As yet no research has been done to show why the brand is failing, and no campaign has been allowed to run for long enough to have achieved anything.
- [ ] The brand was a fast moving consumer good which had recently been relaunched. The relaunch had included a new advertising campaign. Because the sales of the original product had begun to fall, a sales target had been set as an advertising objective. Sales of the brand rose sharply, so the advertising campaign was deemed to be highly effective. Shortly afterwards, however, sales of the brand fell even though the advertising campaign had continued. This prompted the company to analyse what had happened. The initial sales rise had been entirely due to another product shortage, and had little or nothing to do with the advertising campaign. As the other product had become available, so the sales of our brand had declined.
- [ ] Again, in a competitive market, this brand suffered a falling sales curve and the advertising campaign was thought to be the cause. The campaign had run for many years and had originally been seen as primarily responsible for putting the brand in the position of market leader. No work was done to see why sales were falling. A new campaign was launched, but sales accelerated their fall. Subsequent research showed that the original advertising was an integral part of the product, and that the cause of the sales' decline had been the increased competition entering the market. The original advertising was reintroduced and the brand has now stabilised its position in the market.

### RECOMMENDATIONS:

A SALES CHANGE SHOULD PROMPT ENQUIRY, BUT MUST NOT LEAD TO AN AUTOMATIC CHANGE IN ADVERTISING.

SALES OBJECTIVES SHOULD BE STATED AS MARKETING OBJECTIVES, AND NOT AS ADVERTISING OBJECTIVES.

ADVERTISING CAMPAIGNS MUST NOT BE EVALUATED BY SALES IN ISOLATION.

## Evaluating Advertising Effectiveness

*Advertising can be evaluated for effectiveness - with clear, precise advertising objectives and benchmarks set in the first place.*

*Advertising objectives are distinct from marketing objectives - they are achievable by advertising alone if necessary.*

*Advertising evaluation is a cost/benefit decision.*

*Evaluation techniques should be matched to advertising objectives and not vice versa.*

*Consistency in broad methodology of evaluation (e.g. sample frame, style of question) allows the significance of changes to be judged.*

*Sales, or market share, information can usually only prompt the need to examine advertising effectiveness in detail.*

## THE EVALUATION OF ADVERTISING EFFECTIVENESS

### ISSUE:

- \* The MCRC asserts that it is possible to measure the achievement of specified advertising objectives, in most cases, if it is really desired to do so.
- \* The real question at issue in most cases is whether it is cost effective to fully evaluate advertising, i.e. is the information gained going to sufficiently improve current management decisions to justify the expense of collecting it.
- \* The accuracy and validity of measurement methods are not usually so problematic when feasible, well defined advertising objectives have been set - this is a pre-requisite of the ability to be able to measure achievement.
- \* In very few circumstances can one precisely identify the change in a product's market performance due solely to advertising. This emphasises the need to state the contribution expected of advertising towards the desired marketing environment for a product.

### EXAMPLES:

- ☐ The campaign whose aim was to change attitudes but which was 'evaluated' via a survey of copy-point re-call.
- ☐ Studies which attempt to measure changes due to advertising on criteria for which no previous, consistent benchmarks exist: n.b. a significant percentage of potential customers will claim awareness of a non-existent product.
- ☐ The product for whom advertising objectives were clearly set and which were similarly evaluated periodically. When a technically superior new product was launched the reaction of consumers could be systematically monitored on advertising-affected image dimensions. To management's surprise, advertising action was not necessary and retaliatory expenditure saved.

### RECOMMENDATIONS:

THE NEED FOR EVALUATION SHOULD BE APPRAISED IN COST/BENEFIT TERMS OF THE INFORMATION GAINED.

MAJOR EVENTS IN THE MARKET CAN PROMPT THE NEED FOR EVALUATION AND RE-DIRECTION OF OBJECTIVES.

CHOOSE PRECISE TECHNIQUES AND ACCURACY AFTER ADVERTISING OBJECTIVES ARE SET. PLAN INTENDED EVALUATION AS PART OF THE PROGRAMME OF ADVERTISING.

EVALUATION AND ACCOUNTABILITY NEED CLEAR, FEASIBLE AND PERTINENT ADVERTISING OBJECTIVES; BENCHMARKS FOR MEASURING CHANGE MUST BE SET.

Section Two**PLANNING THE EFFECTIVE USE OF ADVERTISING**

**A TOTAL COMMUNICATIONS APPROACH**

**THE CO-ORDINATION OF ADVERTISING ACTIVITIES**

**TIME CONSIDERATIONS IN ADVERTISING PLANNING**

**THE ROLE OF RESEARCH IN ADVERTISING PLANNING AND EVALUATION**

**THE USE OF MODELS FOR ADVERTISING PLANNING**

**DOCUMENTARY AID TO ADVERTISING PLANNING**

## A TOTAL COMMUNICATIONS APPROACH

### ISSUE:

- \* Coordinated communications will prevent contradictions between the various activities undertaken to reach and influence the target audience, and will be more likely to create a synergistic affect. Such a total approach will be a more efficient use of resources.
- \* In practice often the various aspects of communications, e.g. advertising, promotion, public relations, and merchandising are assigned to different management functions. Often no formal provision is made for liaison between these management members.
- \* Different management members often operate in autonomous fashion when planning activities under their jurisdiction. Budget setting and the timing and form of communications are some of the areas in which this sometimes happens.
- \* Unless the timing and form of communication activities is coordinated, the target audience is likely to be confused or the total impact diffused.
- \* In some companies no person or function seems to have the formal responsibility of coordinating the company or product communications.
- \* To effectively coordinate activities, it is necessary to specify the many decision areas which exist. (See also 'The Coordinating of Advertising Activities')

### EXAMPLES:

- ☐ The brand was in a highly seasonal market where purchases were infrequent. The brand was small and had a small budget which had to be allocated with maximum care if the advertising and marketing objectives were to be met. Much effort was devoted to ensuring that all aspects of the communications - to the consumer and the retailer - were consistent and dovetailed in their timing. A press campaign was used, supported by point of sale material and a highly appropriate competition (one for the retailers and another for the consumers). The campaign met its objectives very successfully.
- ☐ The brand was predominantly a children's product, and was in a market where promotional activities were more common than media advertising. As brand leader, both media advertising and promotions were considered appropriate. Because of its dominant position, the company felt that there should be an educational value to the promotions run, for this was seen to be in the long term interest of the brand. The media and promotion activities were carefully coordinated. The brand continues as leader.
- ☐ The service in question devoted a great deal of time to deciding how it should be developed in the long term. Once this decision had been made plans were drawn up for implementation - including the communications plans. Economy measures enforced much reduced media advertising which was substituted by cheaper promotions. The communications objective was retained and the promotional activity undertaken did not detract from it. As more money became available so other parts were enforced. The service is developing most successfully.

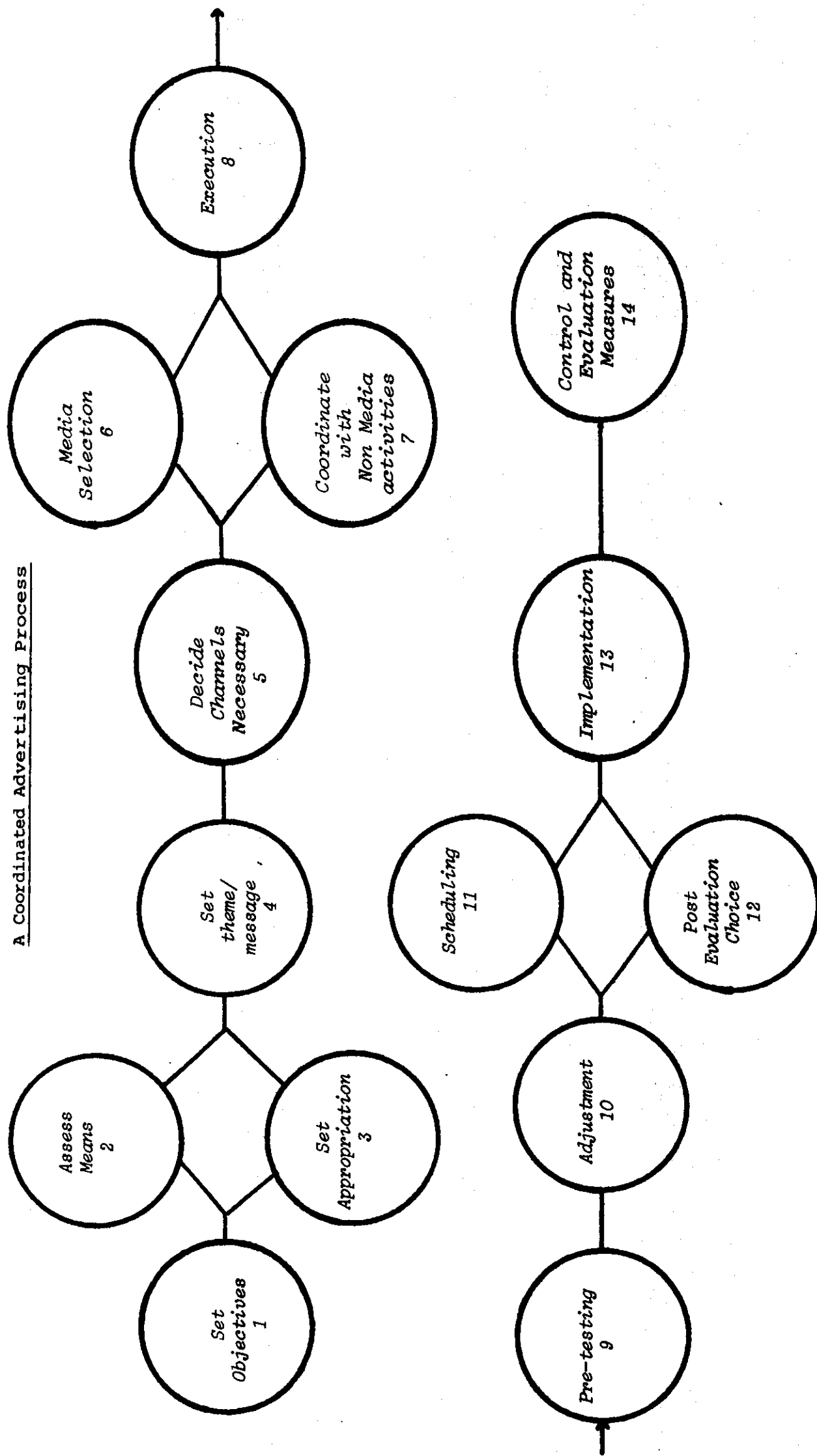
### RECOMMENDATIONS:

FORMAL PROVISION MUST BE MADE FOR ALL COMMUNICATIONS TO BE COORDINATED. A MANAGEMENT MEMBER OR MEMBERS MUST BE GIVEN THE RESPONSIBILITY.

ALL COMMUNICATIONS ACTIVITIES MUST BE COORDINATED, BE MADE COMPATIBLE AND THE TIMING SUITABLY SCHEDULED.

EACH ASPECT OF COMMUNICATIONS MUST BE CONSIDERED IN THE CONTEXT OF THE TOTAL COMMUNICATIONS MIX.

A Coordinated Advertising Process



## TIME CONSIDERATIONS IN ADVERTISING PLANNING

### ISSUE:

- \* It is necessary to plan an advertising strategy in both the long and the short term, for it is unlikely that a satisfactory campaign can be evolved if planning is done on an annual basis only.
- \* Attitudes and/or images are known to take a long time to create or change. Adequate time must be allowed for such objectives to be achieved.
- \* The whole spectrum of advertising management - the planning, monitoring and evaluation - is a lengthy process. Adequate time must be allowed for each of the advertising management tasks to be undertaken; e.g. necessary research and pre-testing.
- \* The affect of an advertising campaign may not be immediate. It may be cumulative or lagged, for example. Such time considerations must be taken into account in planning the advertising evaluation.
- \* The timing of research is sometimes difficult to gauge. It may be that the company has a policy of regular research regardless of what is happening in the market. To use resources most effectively it may be better to do thorough research if indications suggest market change. Such research could then be expected to yield actionable results.
- \* It takes a very long time to overcome negative reactions to a brand. On a cost effective basis it may be better to introduce a completely new brand which in time will replace the old one, rather than devote resources to overcoming a strong negative reaction.

### EXAMPLES:

- The brand was relaunched because it was felt that the falling sales were due to an inappropriate brand image. This had been successful when first created, but changed market circumstances were deemed to have altered this. The launch campaign ran for a year, but had to be abandoned because it was relying too heavily on themes of 'new', 'changed', and other phrases not compatible with a maturing product. It was realised that the launch campaign theme could not be developed as required. Had the planning horizon been for more than the first year of the relaunch, this would have been foreseen.
- Research had shown that the brand had evoked negative reactions from the target audience. It had been done for two reasons; sales were falling, and a new product ingredient had been developed which could have been incorporated into the product and a relaunch mounted. The strength of the negative reactions led to the decision that it would be more cost effective to put the new ingredient into an entirely new brand, and that the existing brand should simply be maintained until naturally replaced by the new product.
- In a multi-branded company a policy decision was taken to undertake a major attitude survey on each of the main products, and that further attitude surveys should not be undertaken unless market circumstances indicated that a change could be expected. Each of the major studies had provided the benchmark against which changes could be measured. A questionnaire had been prepared which, subject to necessary modification, could be used in a survey at very short notice.

### RECOMMENDATIONS:

ALLOW ADEQUATE TIME FOR PLANNING AND THE EXECUTION OF ALL ADVERTISING MANAGEMENT ACTIVITIES.

WHEN DECIDING THE ADVERTISING STRATEGY, AGREE BOTH SHORT AND LONG TERM PLANS.

ALLOW SUFFICIENT TIME FOR ADVERTISING OBJECTIVES TO BE ACHIEVED: DON'T EXPECT TOO MUCH TOO SOON.

DO RESEARCH AT REALISTIC INTERVALS.

## THE ROLE OF RESEARCH IN ADVERTISING PLANNING AND EVALUATION

### ISSUE:

- \* Research can add information and reduce uncertainty for decision taking; it aids rather than supplants decisions.
- \* Research can provide marketing and advertising planning with information on the state of the product or company in relation to its customers and its competitors.
- \* Research may be involved with advertising: at the planning and formative stage; during the operational stage for control purposes; and after the campaign for evaluation and diagnostic purposes.
- \* The main emphasis for research in advertising is now concerned with aiding the formulation of advertising objectives, themes and content: much less is done for strictly post-campaign evaluation.
- \* Loosely structured and small scale research is often used now to aid advertising and product planning: it is quicker and cheaper than more formal methods. The limitations and form of the information presented is at least understood by management. No research 'technique' is necessarily satisfactory for all circumstances, though.
- \* If there is little at stake, there is little need for great accuracy of research: research expenditure to aid a decision is a cost/benefit exercise.

### EXAMPLES:

- A new product's initial advertising inadvertently suggested an unfortunate connotation which reduced its perceived worth. This worry was not picked up in pre-testing or early post-launch research as none was done. To eradicate the perceived product deficiency took several year's advertising effort.
- In a declining sales and market share situation research was used to aid full understanding of the causes before a re-launch decision was seen to be possible. Two years advertising research, including area tests, were conducted to establish effective treatment for the advertising/image objectives. The brand has re-established itself.
- The strict adherence to an 'advertising model' would seem to have aided the brand to grow substantially in a large, competitive market. The model clearly indicated required advertising objectives and directed the nature of research information to be gathered. The company did not have an established research tradition.

### RECOMMENDATIONS:

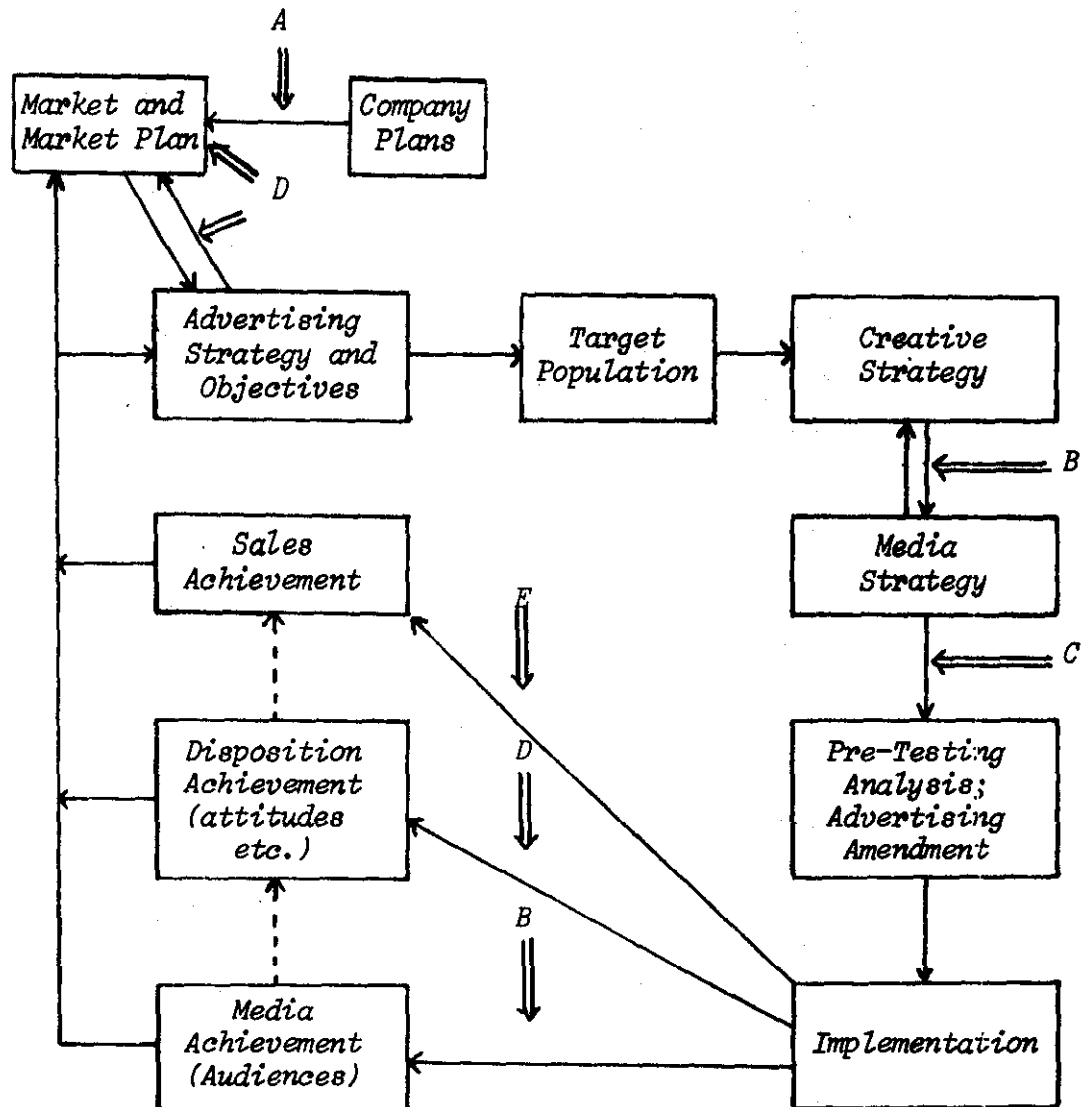
PLAN RESEARCH INTO THE OVERALL ADVERTISING PROGRAMME, DON'T ONLY USE FOR 'FIRE FIGHTING'.

HAVE RESEARCH OBJECTIVES, KNOW WHAT IT IS FOR.

ADVERTISING RESEARCH EXPENDITURE SHOULD BE BASED ON COST/BENEFIT APPRAISAL.

RESEARCHERS SHOULD BE INTEGRATED IN MANAGEMENT, NOT ISOLATED.

The Various Roles of Research in  
Advertising Planning and Control



A - Market Intelligence - size, competitive activity, economy, etc.

B - Media Research - knowledge on quality and quantity of potential audiences or audiences achieved.

C - Pre-testing of advertisements.

D - Consumer Research - knowledge of buyers' decision process; dispositions towards product; behaviour studies; etc.

E - Sales statistics - aggregate analysis of sales achievements etc.

(see also the topic 'Setting Appropriate Advertising Objectives', for research role.)

## ISSUE:

- \* "A model is a systematic procedure for using data on consumer dispositions and behaviour and/or the market situation, to describe and predict behaviour." This is the operational definition adopted by the MCRC.
- \* Models are of two types:-
 

|                                                                                        |                                                                                                                                                                   |                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Data input:</i><br><i>Purpose:</i><br><br><i>Output:</i><br><br><i>Orientation:</i> | AGGREGATE STATISTICS<br>PRIMARILY MARKET EVALUATION<br>ON A GLOBAL BASIS<br>BROAD PREDICTIONS AND<br>ANALYSIS OF THE MARKET<br>MARKETING OBJECTIVES<br>ORIENTATED | INDIVIDUAL DATA<br>PRIMARILY PROVIDE INFORMATION FOR<br>PRODUCT AND ADVERTISING STRATEGY<br>IDEAS TO BE INCORPORATED INTO<br>STRATEGY PLANS<br>ADVERTISING OBJECTIVE<br>ORIENTATED |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
- \* Once the problem to be solved and the type of decision to be made has been decided, it will become apparent whether or not a modelling approach is the best way to collect and analyse data. Following from this, if a modelling approach is to be used, the type of model will be apparent.
- \* There is a danger of being technique orientated. Different problems and decisions require different approaches.
- \* The discipline of the modelling process forces management to state the assumptions being made, and to systematically think through the implications of particular actions on a product.
- \* It has to be remembered that a modelling approach will not provide quick answers. Essentially it is a longer term activity.

## EXAMPLES:

- This company built an aggregate model for the purpose of predicting how brand performance would be affected by various financial decisions, including promotional expenditure. The model is sufficiently representative and allows the company to make its budgeting decisions based upon the model's estimates of possible outcomes. The brand on which the model is used is in a very simple market, with little competition. When the same approach was applied to the more complex brands, it was inaccurate. As yet, efforts to rectify this have not succeeded.
- The brand situation being modelled was in a complex market, with many competitors. It was hoped that a model could be built to predict the affect of market changes, including advertising, on sales performance. The task proved impossible, given the resources to be devoted to it. The main reason given for the failure was the lack of adequate data. To collect the necessary detail was not considered to be cost effective.
- Two fast moving consumer goods brands were developed over a number of years by using information gained from a modelling approach using individual consumer data. The process of model building had forced management to think through the long term implications of their actions, and specific advertising objectives were set on this basis.

## RECOMMENDATIONS:

- USE A MODELLING APPROACH IN AN UNRESEARCHED MARKET TO HELP SET ADVERTISING OBJECTIVES AND GAIN MARKETING INSIGHT.
- THE TYPE OF MODEL USED, AND THE SPECIFIC TECHNIQUE EMPLOYED MUST DEPEND ON THE MARKET SITUATION AND PROBLEMS TO BE EXAMINED.
- ONLY USE A MODELLING APPROACH WHEN THE ADVERTISING PROBLEM AND DECISION HAS BEEN ADEQUATELY DEFINED.
- ENSURE THAT THE DATA ESSENTIAL FOR A MODELLING APPROACH IS COST EFFECTIVE TO COLLECT.
- UNDERSTAND AND AGREE ASSUMPTIONS IN A MODEL BEFORE YOU USE IT.

## A Marketing Facts Book

Should be compiled of items important to the understanding and management of a product or service. Individual circumstances will dictate the precise needs. The circumstances surrounding previous advertising and promotional policies can be very valuable for aiding consistency and continuity.

Some items which might be included in a facts book:

- synopsis of annual marketing plans*
- history of the product and market facts and figures*
- annual and quarterly sales and market share figures for previous years*
- previous prices for products and competitors' products*
- change in personnel affecting the product*
- changes in competitive product's senior management*
- details of promotions and their success*
- competitive products' performance in absolute and share terms*
- significant events in the market*
- advertising strategy, objectives, outline of advertising form, media plans and schedules, expenditure*
- agency personnel associated with the product*
- title, or topic, of all research related to the product*
- references to sources and/or location of additional information on the product or market*
- key personnel and intelligence on suppliers, major customers*

The facts should be updated at least once a year but ideally a routine should be developed for regular entry of items.

The research department is probably best situated in many companies to be responsible: they usually fulfil the role anyway but informally and unsystematically; much of the information is generated by them anyway; it will further help integrate them with marketing planning.

## DOCUMENTARY AID TO ADVERTISING PLANNING

## ISSUE:

- \* A systematic record of key facts relating to a product's history and development has been found to be very valuable.
- \* A 'facts book' would contain such things as: a synopsis of annual marketing plans; targets and achievements; advertising strategies, plans and implementation; summaries of research and findings; key factors on performance; promotions run; competitors' activities - prices, product changes etc.; personnel involved with the product; intelligence on the market-suppliers, major customers.
- \* A standard reference document aids consistency, memory and acts as a focal point for key information.
- \* New personnel can quickly learn essential background information, and much time is saved when writing annual plans as information is readily to hand - repetition becomes unnecessary.
- \* Previous tactics and research can aid planning or save unfruitful repetition; evaluation summaries will help clarify key factors in the market.

## EXAMPLES:

- ☐ The executive who nearly commissioned research that had already been done some years before. He claimed that reading the report on the previous research, which was referenced in the 'facts book', answered his need.
- ☐ The MCRC witnessed the great difficulty of many companies to procure details on salient factors affecting past performance of products.
- ☐ The company that claims it saves at least 50% of executives' time in preparing annual marketing plans after the introduction of a 'facts book'.

## RECOMMENDATION:

A 'FACT' OR 'LOG-BOOK' SHOULD BE KEPT ON EACH PRODUCT OR SERVICE.

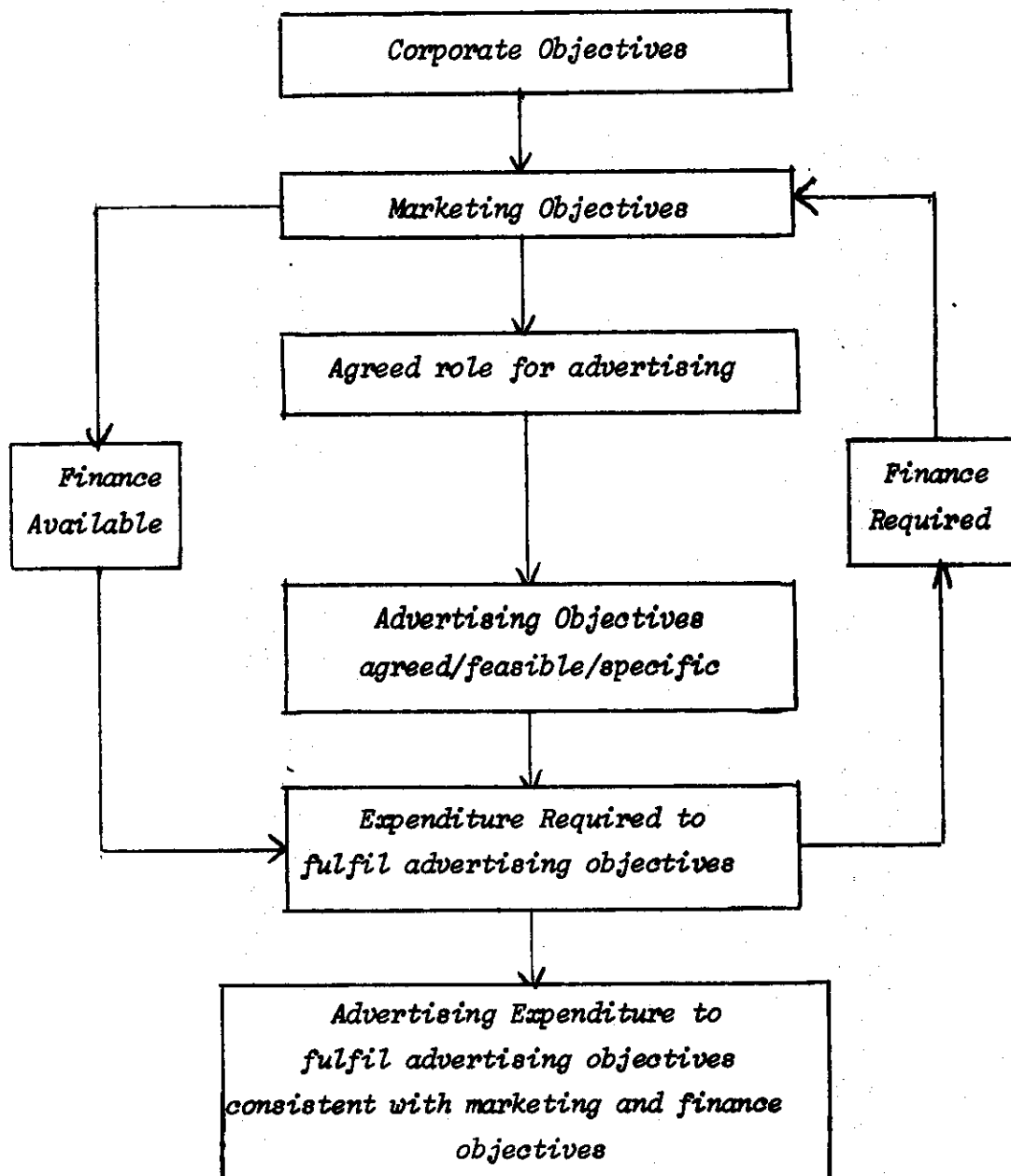
IT SHOULD CONTAIN KEY FACTS ESSENTIAL TO UNDERSTANDING AND MANAGING A PRODUCT OR SERVICE.

THE RESEARCH FUNCTION IS PROBABLY THE BEST EQUIPPED TO MAINTAIN SUCH A RECORD.

(See also 'Consistency in Advertising')

Section Three**BUDGET DECISIONS FOR ADVERTISING****ADVERTISING EXPENDITURE DECISIONS****ADVERTISING EXPENDITURE TESTS**

The Advertising Expenditure Decision Process



## ADVERTISING EXPENDITURE DECISIONS

### ISSUE:

- \* Advertisers are regularly asking themselves such questions as:
  - What should the company be spending on advertising overall?
  - What should be spent on advertising product X and how will this affect the ability to spend on product Y?
  - Is advertising a current expense or should we regard it as an investment in the strength and future of our product?
  - Should we be decreasing, maintaining or increasing advertising expenditure in present circumstance?
  - How do we evaluate expenditure on advertising against other, competing claims for funds?
- \* To decide how much should be spent on advertising there is no ready substitute for understanding the marketing situation and the advertising requirement appropriate to the planned marketing policy. Advertising must have a defined role to play and to achieve this has a cost.
- \* Advertising can also be seen as a risk reducing activity, e.g. there is a risk consumers do not become aware of the product or may not perceive the product as it is wished they should. Advertising expenditure has to be judged against the cost of realising the consequences of the risks.
- \* There are methods (primarily research based) which may give broad indications as to the way weight of advertising affects product performance in a market.
- \* There is no simple formula for setting budgets to which all situations are subject: different market circumstances require different analysis.

### EXAMPLES:

- ☐ "I know half my advertising is wasted but I never know which half"
- ☐ "There is an advertising-sales ratio for this market which must be adhered to"
- ☐ "There is a case rate levy to provide advertising expenditure"
- ☐ The company, which having lost 50% market share to a technically better new product, spent an extra £1m. on advertising to no avail and was disappointed.

### RECOMMENDATIONS:

ADVERTISING EXPENDITURE BE PERCEIVED AS RISK REDUCTION.

EXPENDITURE DECISIONS BE BASED UPON AGREED ADVERTISING OBJECTIVES.

AN ITERATIVE PROCESS BE UNDERTAKEN IF FUNDS ARE NOT SUFFICIENT FOR INITIAL OBJECTIVES: ADVERTISING OBJECTIVES AND SUBSEQUENT MARKETING ONES MODIFIED SUCCESSIVELY UNTIL COMPATIBLE AND WITH ADVERTISING FINANCE AVAILABLE.

RESEARCH BASED METHODS OF ANALYSIS CAN AID THE UNDERSTANDING OF ADVERTISING-AFFECTED MARKET PROCESSES AND AID PERCEPTION OF RISK. UNDERSTAND AND AGREE ASSUMPTIONS IN ANY METHOD BEFORE USE.

(See MCRC Report No.8 'Setting Advertising Budgets')

### Some Do's and Don'ts of Advertising Expenditure Tests

*Don't run a test without planning beforehand how it is going to be analysed - what magnitude of effect do you expect, how are you going to measure it, can you afford to collect this data (normal, regularly reported audits etc., are not often adequate)?*

*Don't run a test to answer an immediate problem - to plan, execute and analyse an adequate test usually takes at least six months for a frequently purchased item.*

*Don't run a test where other factors beyond your control can swamp any expected advertising effect - a more complicated test design can accommodate this sometimes, but greatly adds to the expense.*

*Do consider the purpose of the test - if it is to allow prediction will this really be justifiable.*

*Do make an expenditure test part of a programme of research - it will be most valuable when used to complement and validate the results of other, preparatory research.*

*Do make sure beforehand that there is adequate management time, skill and control to undertake the exercise - one error can invalidate the whole exercise.*

## ADVERTISING EXPENDITURE TESTS

### ISSUE:

- \* Many companies attempt to determine if they are spending the right amount on advertising by conducting inter-area tests. In a typical test over a limited period one area receives more expenditure than usual and market sales results are compared with those of other areas.
- \* These tests produce conclusive sales results extremely rarely in practice in the U.K.; they are often advocated by textbooks on scientific marketing.
- \* There are many statistical difficulties usually in detecting sales/market share changes: these are expensive to overcome. There are usually great managerial problems in conducting a test satisfactorily.
- \* It is essential to be able to predict the expected outcome in order to plan the test adequately. This point particularly would apply equally to an ADLAB facility.
- \* Area expenditure tests can be used to examine changes in awareness/recall/attitudes. The measurement of these is usually more straightforward and can help explain changes in other market outcomes during a test as well as sometimes being an end in themselves.

### EXAMPLES:

- ☐ The company that spent much on an inter-area expenditure test without realising beforehand that the test area had a different level of product penetration to the others. The interpretation of this effect on the results was not satisfactory.
- ☐ The organisation that had to evaluate the economic effects of increased advertising over three months in a market of many competitors, and a very small target population who purchase at most once a year.
- ☐ The company whose test accommodated many of the usual difficulties and who even ran a special field sales auditing survey. Nevertheless, they found that although the advertising effect on sales was positive, it was too small to accurately determine for financial planning purposes.
- ☐ The company which now has econometric models of its markets and is able to hindcast the results of expenditure tests and discovers that conclusive findings can be gained from what were thought to be fruitless tests.

### RECOMMENDATIONS:

DO NOT EMBARK ON EXPENDITURE TESTS LIGHTLY IF YOU SERIOUSLY WISH TO EXAMINE ADVERTISING-SALES RELATIONSHIPS.

YOU MUST ESTIMATE THE OUTCOME BEFOREHAND SO AS TO COLLECT SUFFICIENTLY ACCURATE DATA TO DETECT THE RESULT.

ENSURE YOU HAVE THE MANAGERIAL TIME, SKILL AND CONTROL TO PLAN AND CONDUCT A TEST ADEQUATELY.

(Read the recommendations in MCRC Report No.5 'An Appraisal of Media Weight Tests')

## IMPLEMENTING ADVERTISING STRATEGIES

THE ROLE OF THE ADVERTISING AGENCY

ADVERTISING EXECUTION

CONSISTENCY IN ADVERTISING

ADVERTISEMENT PRE-TESTING

COMPETITIVE INFLUENCES ON ADVERTISING STRATEGY

## THE ROLE OF THE ADVERTISING AGENCY

### ISSUE:

- \* The relationship between an advertising agency and a client company can help or hinder the development of an effective advertising campaign. Where a good working relationship does not exist it is likely that a campaign will not be consistently developed, and that much time will be devoted to agreeing the brief to be implemented, rather than actually implementing it.
- \* Relationships existing between an advertising agency and a client cover a range in which at the one extreme the agency does the creative execution of a campaign and nothing else, through to the situation in which it is involved in developing the marketing strategy and from this the advertising strategy and its implementation. Which relationship is most successful will depend on a number of factors, not least of which are the personalities and capabilities of the individuals involved.
- \* The following are among the factors which probably influence the choice and use of an advertising agency:-
  - (a) The size of the company and the limitations this might place on the number of personnel who can be employed in the area of marketing and advertising.
  - (b) The top management attitudes to the role which marketing and advertising should play in the company.
  - (c) The experience of personnel in the marketing and advertising departments.
  - (d) The provision of supportive functions, in particular research, for those taking the marketing and advertising decisions.
  - (e) The previous practice of the company.
  - (f) Historical relationships with particular agencies.
  - (g) The formally stated policies on how agencies should be employed by the company, or alternatively, informal preference by top management which have much the same effect.
- \* The time taken for a new advertising agency to fully understand the product or service being promoted is likely to be two years, consequently any policy to change agencies every two or three years is disruptive.
- \* The problems of changing advertising agencies too frequently will be greatest when brand managers are also being changed at regular and frequent intervals.
- \* Where an advertising agency is responsible for undertaking many of the decisions normally done by company personnel, it is essential that someone within the company controls what is being done, and the reason for it. Unless this is so, it is possible and probable that the best interest of the company will not be served.
- \* It is sound policy to periodically review the choice of agency. People and circumstances change. Inflexibility in agency choice can encourage complacency which may be reflected in advertising.

### RECOMMENDATIONS:

THAT THE CLIENT AND AGENCY AGREE A WRITTEN ADVERTISING BRIEF, SPECIFICALLY ON THE ADVERTISING OBJECTIVES.

SOMEONE IN THE COMPANY MUST BE RESPONSIBLE FOR COORDINATING THE ACTIVITIES UNDERTAKEN IN THE ADVERTISING AGENCY.

SOMEONE IN THE COMPANY MUST BE ABLE TO JUSTIFY THE WORK BEING DONE BY THE AGENCY.

## ADVERTISING EXECUTION

### ISSUE:

- \* A little, well said, in an advertisement will mean a greater likelihood of the advertising objectives being achieved.
- \* Many issues in a short space of time may lead to confusion in the mind of the target audience or diffusion of impact of each issue. This refers as much to a single advertisement as to a campaign.
- \* If the target audience is receiving a confused picture, it is also likely to be receiving a diffused message.
- \* Credibility is often an important aspect of an advertisement. A particular theme or message may be acceptable to the target audience, but in its execution it might lack credibility. Pre-testing should highlight this.
- \* Confusion probably reduces advertisement credibility.
- \* If an advertising campaign and a promotional activity are running at the same time, but have no common objective, treat them as separate entities. To feature the promotion in the advertisement will not benefit either.

### EXAMPLES:

- A service industry ran a controlled experiment. In one area a large, single display showed many different versions of a product each having merits for different circumstances. In the second area a greater number of displays were used, each of which featured a single product for a particular purpose. Sales were considerably better in the second area.
- Two competitors in a service industry were advertising their brands at the same time. The one showed a range of the brands being offered, the other showed a single brand. The competitor showing the single brand gained its objectives, and the greater sales volume.
- There have been a number of cases in which media advertising and promotional activities have been running independently, and where the existence of the promotion has been grafted onto the media campaign. The impact of this was less than had the two continued to be run separately.
- Two long-established, large volume, frequently purchased products are particularly noteworthy for adopting single point advertisements. Each one presented a little story, which was another way of repeating the central theme. Research showed that the target audience knew what was being said, and that there was no confusion or distortion. In both cases the brands dominate their respective markets.

### RECOMMENDATIONS:

KEEP ADVERTISING SIMPLE.

DO NOT CONFUSE ADVERTISING OBJECTIVES OR THEIR EXECUTION.

MAJOR ON ONE OR TWO KEY ISSUES IN AN ADVERTISEMENT.

DO NOT ADOPT AN UNNECESSARY COMPLEX ADVERTISEMENT EXECUTION.

USE PRE-TESTING TO CHECK THAT THE COMMUNICATION INTENDED IS THE ONE BEING RECEIVED BY THE TARGET AUDIENCE.

## CONSISTENCY IN ADVERTISING

### ISSUE:

- \* If a campaign is to be successful and to give the maximum 'return on investment' it must be given sufficient time to develop.
- \* Frequently we undertake advertising for the principle purpose of influencing or changing attitudes. It is possible to do this, but it has to be recognised that the process is a long one. Changing a key attitude is not something which can be achieved often within a single financial year.
- \* To change an advertising theme too rapidly will only lead to confusion in the mind of the target audience - whether consumer, salesmen, distributors or retailers. For the product or service to be identified with a single theme can be crucial in a highly competitive market.
- \* Consistent advertising can become a property of a product and, consequently, should be thought of as an investment; as something to be recouped and not thrown away.
- \* Where a technical product or service is being sold and is little understood by the consumer, a 'unique selling proposition' created through advertising can be a powerful competitive weapon.
- \* There are numerous pressures for an advertising campaign to be changed. A new man on the job, a new agency, simply the tradition of being seen to be doing something.

### EXAMPLES

- The product had been a major brand in a highly competitive market. Latterly it had lost market share. The decision of a product relaunch was made, and a spectacular new advertising campaign created. The relaunch started and encouraging results were obtained. It was then found that the campaign could not easily be extended for a second year, and a new campaign was created. The apparent success of the relaunch was short lived as sales rapidly flagged. It was found that the consumer was confused and unclear that a relaunch had occurred.
- Again, the product had been a brand leader in a highly competitive market. A very consistent advertising campaign had been run, but both company and agency felt that a new and different campaign was required. For this reason a new campaign was created. Very rapidly sales and market share decline occurred and no action by the company seemed capable of stopping an eroding of the product situation. Too late it was realised that the previous advertising had been an integral part of the product, and without it the consumer saw no difference between this product and its many competitors. The old advertising theme has now been reintroduced and the brand is beginning to make a recovery.
- The brand is in a 'little understood' product group. Many brands exist, and on technical grounds it would be impossible for the consumer to say that any one of them was 'a better product'. This brand undertakes factual advertising just as its competitors do, but it has a theme line which is unique and which has been used unchanged for many years. In the product grouping this is the brand leader, and no other brand appears able to find a theme line which can compete with that of the leader.

### RECOMMENDATIONS:

THE PERSON RESPONSIBLE FOR A BRAND'S ADVERTISING SHOULD BE MADE TO JUSTIFY CHANGING EITHER THE ADVERTISING THEME OR CONTENT.

BEFORE CHANGING ADVERTISING TO IMPROVE A SITUATION IT IS DESIRABLE TO UNDERSTAND WHY AND HOW THE UNFAVOURABLE SITUATION HAS ARISEN.

EVEN IF THE REPRESENTATION OF A THEME HAS BECOME BORING TO THE CONSUMER, THIS DOES NOT MEAN THAT THE THEME ITSELF IS WORN OUT. IN CALCULATING THE AFFECT OF AN ADVERTISEMENT ON THE CONSUMER, THESE TWO ASPECTS MUST BE SEPARATED.

## ADVERTISEMENT PRE-TESTING

### ISSUE:

- \* The principle purpose of pre-testing is to check whether or not the communications objectives of a particular advertisement have been achieved.
- \* In practice, the most common use of pre-testing is to screen out negative reactions to an advertisement. This is an inefficient use of resources, for a positive use of pre-testing will provide the company with more constructive information.
- \* For pre-testing to be fully utilised it is vital that the company knows what the advertisement is intended to achieve; specific objectives provide this.
- \* 'Horses for courses' needs to be the approach to pre-testing. Depending on the purpose of the test, so the technique will vary.
- \* The quantitative vs. qualitative argument in pre-testing is probably misplaced. Once the objectives have been specified, the decision is then to choose the appropriate pre-test method, regardless of the quantitative/qualitative arguments.
- \* Is pre-testing to be an aid to management understanding, or an input to the creative team? Techniques appropriate for the one may not be appropriate for the other.
- \* Pre-testing can provide an invaluable discipline for both company management and advertising agency.
- \* The rough vs. finished commercial argument may also be misplaced. If the advertisement is highly factual the choice may be realistic; if advertising objectives are dependent on the creation of an atmosphere or mood, the testing of a rough commercial may not be appropriate.

### EXAMPLES:

- The brand was in a seasonal market, and was traditionally promoted by a concentrated press campaign. The company wished to use the same campaign for a second year, but wondered if it had been as effective as they had anticipated the previous season. For this reason it was pre-tested. The target audience was totally confused, to the point of not knowing which product was being advertised. Had this precaution been taken in the first place, the campaign would never have run. Money had been unnecessarily spent, and completely wasted.
- In two cases pre-testing had shown that the use of personalities had led to non-credible advertising. Realising this before the campaign had run prevented a costly mistake. The pre-testing had been done with time for an alternative campaign to be devised.
- Pre-testing of a number of advertisements made the company aware that one of them was less effective in achieving the desired objectives. Because a number of advertisements were needed in a campaign, to provide adequate variety, the less effective advertisement was included at a reduced frequency.

### RECOMMENDATIONS:

ADOPT THE POLICY OF HORSES FOR COURSES.

LEAVE ENOUGH TIME FOR NECESSARY ADVERTISEMENT CHANGES TO BE MADE.

USE PRE-TESTING POSITIVELY AS WELL AS TO SCREEN OUT NEGATIVE REACTIONS.

AS A GENERAL PRINCIPLE SOME CHECK SHOULD ALWAYS BE MADE ON AN ADVERTISEMENT.

## COMPETITIVE INFLUENCES ON ADVERTISING STRATEGY

### ISSUE:

- \* In many instances brands are advertised simply because others in the market are advertising. The rationale for doing so is that if the brand is not kept in the public eye it will be forgotten and, consequently, will not be purchased. This fear may well be founded, but in itself does not form a realistic advertising objective.
- \* The advertising strategy and objectives for a brand need to be decided on the basis of the specific situation in which it is to be found at that point in time. One aspect of this situation will be the presence and activities of key competitors, but there will be many other influences which are peculiar to the brand in question. Brands being sold into the same broad market could require very different advertising strategies.
- \* Competitive activities are sometimes used as a 'reaction point'; as something to which our brand must respond. To gain attention in the market place it may be necessary to do something different, but this should be done because it is part of the development of the brand, and not for the sake of being different.
- \* An area in which competitive activity is frequently taken into account is that of budget setting. The amount being spent by a competitor on media advertising or promotion is one influence on the budget setting procedure, but it should not be the only one. To assume that a competitor has arrived at the right level of appropriation is misleading. What is right for him may not be right for you, and it could be that he, in turn, is actually copying someone else in the market.
- \* The medium used for advertising is another area in which competitors' activities are a dominating influence. In circumstances where a brand is unable to match the media appropriation of a competitor, the decision is sometimes taken to promote the brand in another medium; is this the best to achieve its objectives?
- \* If it is felt that a brand must be developed by reacting to a competitor's activities, then this should be systematically appraised. When putting such a reliance on a competitor's actions it is not sufficient to consider his activities on a casual basis.

### EXAMPLES:

- ☐ The brand manager believed it was necessary to match the media expenditure of the brand leader. This was not possible, so the decision was taken to run a press rather than a television campaign. This meant a change in theme and advertising style, although there was no basis on which this could be said. The media choice influenced the advertising approach, not the objectives.
- ☐ This consumer product had long term marketing and advertising objectives. Because of a swing toward non-media promotion among competitors, there was a great pressure to divert resources away from media advertising. This was resisted by the brand manager who felt that his promotional objectives were right and were best achieved through advertising. He perceived that brands in apparently similar situations had lost dominance in the long run through such change of strategy.

### RECOMMENDATIONS:

DESIGN AN ADVERTISING STRATEGY ACCORDING TO THE BRAND'S INDIVIDUAL SITUATION.

DO NOT COPY OR REACT TO YOUR COMPETITOR'S ACTIVITIES WITHOUT REFERENCE TO YOUR OWN MARKET AND ADVERTISING OBJECTIVES.

DON'T BE DIFFERENT FOR THE SAKE OF BEING DIFFERENT.

COMPETITORS' ADVERTISING EXPENDITURE MUST BE ONE INFLUENCE ON YOUR OWN BUDGET SETTING, AND NOT THE ONLY INFLUENCE.

BE PREPARED TO CONSIDER THE USE OF ANY MEANS OF PROMOTION AS MORE COST EFFECTIVE TO ACHIEVE YOUR OBJECTIVES, REGARDLESS OF YOUR COMPETITOR'S ACTIVITIES.

Section Five

## SOME PRINCIPLES OF THE ADVERTISING - COMMUNICATION PROCESS

Much has been written by academics of various disciplines and by advertising practitioners on how it is believed advertising 'works'.

In this section we present concise statements of some of the basic principles or findings which underlie what are thought to be key factors in understanding the advertising process. No specific examples have been cited as in previous sections.

The advertising process is defined as being a description of the way in which the advertiser achieves his intended purpose on his intended audience.

This section is primarily based on the MCRC's Report No.4 'The Processes of Advertising'. In this report much fuller expositions are given of all the topics summarised in the succeeding pages.

## THE ADVERTISING PROCESS

## PERSUASION

## THE ROLE OF PERCEPTION IN ADVERTISING

## SOURCE CREDIBILITY AND TRUTH IN ADVERTISING

## PERSONALITY AND ADVERTISING

## COGNITIVE DISSONANCE

## THE DISTRACTION HYPOTHESIS IN ADVERTISING

## THE USE OF FEAR APPEALS IN ADVERTISING

## THE INFLUENCE OF THE MEDIUM

## SUBLIMINAL EFFECTS IN ADVERTISING

## ATTITUDES AND BRAND CHOICE

## THE ADVERTISING PROCESS

### ISSUE:

- \* The question of 'How does advertising work?' is probably best answered: 'In different ways in different circumstances'.
- \* Knowledge on the advertising process is derived from many sources, principally psychology and advertising practitioners. For every piece of evidence in support of a particular theory, other evidence can usually be cited to refute it. This illustrates the fallacy of trying to generalise for all situations how advertising works.
- \* Early beliefs about the process were based upon concepts of stimulus and response: receipt of an advertised message 'triggered' behaviour in accordance with the advertiser's wishes.
- \* Sequence models postulate that advertising can encourage potential consumers to progress through a sequence of necessary steps leading to purchase e.g: awareness, knowledge, liking, preference, conviction, purchase.
- \* Cognitive models have tried to understand the role advertising plays in the individual's decision making process and environment: behaviour is seen as being determined by beliefs, opinions and facts possessed by the consumer. The advertising process has alternatively been seen as to create product needs or to aim to satisfy extant needs with current products.
- \* Practitioners' models have included such ideas that a consumer remembers only one strong claim or concept from an advertisement; therefore advertising should present a Unique Selling Proposition (U.S.P.) for a product. Other theories suggest that advertising can give a product favourable connotations with desirable ways of life - the 'brand image' theory. Yet other theories support ideas that advertising primarily 'reinforces' previously held beliefs.
- \* Various models have been derived lately which assume consumer choice is influenced by attitudes held towards the product together with his system of needs. Arguments about whether or not attitude change precedes behaviour change abound: again evidence supports both. Probably price, previous experience and the perceived benefit affect prior attitude change.

### RECOMMENDATIONS:

FINDINGS FROM NON-MARKETING RESEARCH ARE DIFFICULT TO GENERALISE TO MARKETING SITUATIONS.

ADVERTISING WILL WORK IN DIFFERENT WAYS IN DIFFERENT CIRCUMSTANCES:  
ADVERTISING/COMMUNICATION PRINCIPLES ARE NOT 'ABSOLUTE TRUTH'.

## PERSUASION

### ISSUE:

- \* Persuasive appeals in advertising are said to need to consider:
  - . the needs, wants and fears of the audience;
  - . the beliefs and attitudes held by the audience and the importance of maintaining internal and external consistency;
  - . the need to create a learned agreement;
  - . that interest must be stimulated by appropriately difficult material.
  
- \* Conclusions from simplified experiments suggest:
  - . fear appeals are not universally persuasive;
  - . opinion change is more likely to follow an explicit statement of argument and conclusions;
  - . pleasant distraction can aid effectiveness of appeals;
  - . a well disposed audience only needs to hear one side of an argument;
  - . arguments are remembered better if presented either at the beginning or end of appeals;
  - . information by itself never changes attitudes;
  - . a person's behaviour can be influenced by strangers;
  - . opinions and attitudes are influenced much by social groups;
  - . the effects of persuasive communications tend to wear off with time;
  - . opinion change is more persistent if persuasive appeals are repeated and/or require active participation;
  - . closure theory suggests that incomplete advertising slogans are remembered more because they require active participation in completing them;
  - . successful persuasion takes into account the reasons underlying attitudes.

### RECOMMENDATIONS:

FOR SUCCESSFUL PERSUASIVE APPEALS MANY FACTORS MUST BE TAKEN INTO ACCOUNT. UNDERSTANDING THE REASONS FOR OR INFLUENCES ON A BELIEF WILL AID THE FORMULATION OF A PERSUASIVE APPEAL TO CHANGE IT.

## THE ROLE OF PERCEPTION IN ADVERTISING

### ISSUE:

- \* Osgood described perception as being "a set of variables that intervene between sensory stimulation and awareness". It is maintained that the only way one can determine whether or not perception has taken place is to find if some change in behaviour has occurred in the individual to indicate that the stimulus was actually perceived.
- \* It is generally accepted that perception of an advertisement has to occur before any advertising affect can be achieved.
- \* The point at which perception takes place is not definitely known. It is usually suggested that the total advertising sequence occurs in five stages:
  1. media distribution,
  2. exposure to the particular advertising vehicle,
  3. exposure to a particular advertisement,
  4. perception of the advertisement, and
  5. the advertising influence itself.
- \* Perception appears to be a necessary component of advertising influence, but is not a sufficient one.
- \* Perception is a very selective process for an individual. Whether or not a message physically seen is actually perceived will be a function of the norms, values and beliefs of the individual.
- \* Perception is likely to be a function of an individual's present situation, and consequently could be temporary in nature. Recent experience of a product, frequent usage of it, or anticipated purchase would be obvious influences.
- \* An individual can continue to perceive after the removal of the stimulus.
- \* Perception is frequently measured by recall. This has been severely criticized for a number of reasons:
  - Recall measures can reflect the respondent's interest in the brand or product being advertised rather than a reaction to the particular advertisement of concern.
  - The temporal course of perception may produce many errors in immediate recall.
  - Recall appears to be a function of adequate time being allowed for perception to take place. This is not always taken into account.

### RECOMMENDATIONS:

UNDERSTAND THE INFLUENCES WHICH ARE LIKELY TO DETERMINE THE PERCEPTIONS OF THE TARGET AUDIENCE.

DO NOT LEAVE PERCEPTION OF AN ADVERTISEMENT TO CHANCE - ENSURE THAT THE DESIRED PURPOSE OF AN ADVERTISEMENT WILL BE CLEARLY PERCEIVED BY THE TARGET AUDIENCE (VIA PRE-TESTING).

WHEN MEASURING PERCEPTION ALLOW FOR THE MANY SOURCES OF ERROR.

## SOURCE CREDIBILITY AND TRUTH IN ADVERTISING

### ISSUE:

- \* "We know an individual's acceptance of information and ideas is based in part on "who said it". This variable, the source's role in communicating effectiveness, has been given many names: ethos, prestige, charisma, image, or, most frequently, source credibility. Whichever label is used, research consistently has indicated the more of 'it' the communicator is perceived to have, the more likely the receiver is to accept the transmitted information."
- \* Hovland was amongst those responsible for creating the concept of source credibility, which he saw as having two aspects to it - expertise and trustworthiness. Lambert and Mertz extended this to include dynamism.
- \* In identifying source credibility it is important to do so in terms of how the recipient perceives the message, and not as the sender sees it.
- \* For advertising purposes the importance of source credibility is most pronounced in the choice of media, particularly for press. Credibility is involved in two capacities - the media and the actual source of the message. On occasions these two will be in conflict.
- \* Truth may closely resemble credibility or believability in advertising. In this context it is related to the message or its interpretation, rather than to the media.
- \* Believability is felt to be important in a new product launch situation since advertising is considered to be very effective in persuading the consumer to try the product in the first instance.
- \* If the consumer believes a message to be true, even though it was not intended by the advertiser, this could be to the detriment of the product. To take an example, a new product was launched and from the advertisement the consumer felt that it was being promoted as a disposable product. This had not been said in the advertisement, but was deduced from the visuals. As a disposable product it would have been too expensive for everyday use; hence it was not purchased. This image of the product took a long time to irradicate.
- \* Believability can also be important in the relaunch situation, when the consumer may not accept that a 'new ingredient' has been added, or may even be unaware that the product has been relaunched.
- \* With the use of personalities to advertise a product, believability is an important factor. Often the consumer will react by saying that the famous person is an authority in his particular subject area, but does not know enough about the product he/she is advertising. In such circumstances any recommendation may be received negatively.

### RECOMMENDATIONS:

ALWAYS CHECK THE CREDIBILITY OF AN ADVERTISEMENT, AND WHERE APPROPRIATE CHECK ON THE CREDIBILITY OF THE MEDIA TO BE USED.

WHERE USE OF A FAMOUS PERSONALITY IS CONTEMPLATED, CHECK FOR CREDIBILITY OF THAT PERSON RELEVANT TO THE PRODUCT FIELD.

## PERSONALITY AND ADVERTISING

### ISSUE:

- \* "One of the more engrossing concepts in the study of consumer behaviour is that of personality. Purchasing behaviour, media choice, innovation, segmentation, fear, social influence, product choice, opinion leadership, risk taking, attitude change, and almost anything else one can think of have been linked to personality." Kassarian.
- \* Some of the ways in which the human personality has been studied are by psychoanalysis; according to stimulus-response theories which build on the classical learning theory approach; in terms of trait and factor theories which are essentially personality profile approaches; and via the life-style form of segmentation.
- \* The approach to personality to be used will be highly dependent on the situation to be studied and the purpose for which the information is required. The techniques appropriate when a highly individual and private activity is to be studied (e.g. shaving), are likely to be different to those which are useful in studying the very conspicuous and gregarious purchase (e.g. a holiday perhaps).
- \* The ways in which a personality can be described vary from the straightforward primary factors used by psychologists (e.g. introversion or neuroticism); through the sociologically derived descriptions such as Riesman's inner, other, or traditionally directed people; to the secondary characteristics such as those found by Ziff: outgoing optimists, conscientious vigilants, indifferent apathetics, self-indulgents, contented cows, and worriers.
- \* Personality can be used to describe and segment a population, and subsequently to design either a product or the way in which it is promoted. Its most frequent use is in developing a communications strategy.
- \* Not all situations lend themselves to an analysis involving personality. This needs to be recognised and due care taken in checking out the suitability of the approach proposed.
- \* Particular care needs to be taken when collecting personality information. Unless adequate controls are included the respondent is likely to provide the answer he/she considers to be the 'right' one. Inappropriate measuring mechanisms are apt to be used in the sense that some will measure a primary personality characteristic and extrapolate from this to predicting whether or not a particular brand will be purchased. Much work is necessary before such an extrapolation can be made. Frequently information is used which has not been specifically collected to verify a particular hypothesis. Again, this will tend to give misleading results.

### RECOMMENDATIONS:

ONLY USE PERSONALITY FACTORS IN APPROPRIATE CIRCUMSTANCES.

ENSURE THAT THE APPROACH ADOPTED IS SUITED TO THE SITUATION AND TO THE PURPOSE FOR WHICH IT IS INTENDED.

WHEN COLLECTING INFORMATION, EMPLOY AN EXPERT TO DO THE JOB, AND CONTROL THE RESEARCH METHODOLOGY TO REDUCE ERRORS.

## COGNITIVE DISSONANCE

### ISSUE:

- \* Cognitive dissonance is a theory which claims to explain the relationship between attitudes and behaviour in certain types of situations.
- \* It is closely allied to theories of human behaviour that suggest that a dominant internal force is the human need to keep all beliefs, attitudes and actions consistent with each other
- \* To believe one thing but do another is said to be psychologically uncomfortable or give rise to dissonance, and may lead to subsequent change either of beliefs or actions.
- \* Dissonance may be aroused primarily :
  - after making an important or difficult decision
  - after being coerced to say or do something contrary to personal attitudes/beliefs/opinions
  - after being exposed to discrepant information
- \* Reduction of dissonance may be accomplished by attitude/opinion change, seeking or recall of consonant information, avoidance of dissonant information, perceptual distortion and behavioural change.
- \* Examples said to demonstrate cognitive dissonance include that of recent buyers of new cars who notice and read more advertisements for their car after purchase than before. It is suggested they have lingering doubts about their purchase, and need to re-assure themselves.
- \* The theory of cognitive dissonance seems designed primarily to explain and predict post-decision behaviour.

### RECOMMENDATION:

COGNITIVE DISSONANCE THEORY MAY BE A USEFUL VIEWPOINT TO KEEP IN MIND FOR ADVERTISING OBJECTIVES FORMULATION FOR INFLUENCING MAJOR PURCHASE DECISIONS OR WHERE POST PURCHASE BEHAVIOUR IS AN IMPORTANT ISSUE.

## THE DISTRACTION HYPOTHESIS IN ADVERTISING

### ISSUE:

- \* The distraction hypothesis in advertising holds that the individual will argue with a communication at a sub-vocal level.
- \* Where this counter-argument takes place it means that the individual can rapidly reject any communication which does not immediately fit his own sense of norms and values.
- \* The idea of the distraction hypothesis is that if the individual is not paying attention to the communication he is receiving, he will be unable to carry out his sub-vocal counter-arguments to the same extent.
- \* If the counter-argument activity is reduced there is a high probability that the communication will be received in total.
- \* Distraction means any activity over and above the message being conveyed and can be part of the advertisement itself, or the surroundings in which the advertisement is situated.
- \* The level of the distraction is important. If it becomes too pronounced then the communication intended will go unobserved. An advertisement which is saying too many things simultaneously, or a message which is hidden by too many peripheral activities will constitute an unacceptably high level of distraction.
- \* Work has been done by psychologists to show that the principles of the distraction theory can work, but few experiments have been done in a marketing context. Consequently use of the theory must be checked in the context where it is to be used.
- \* Krugman is the most notable person to consider the impact of distraction in advertising. Some of his findings are as follows:-
  - attention is greatest when directed to the editorial environment in which the advertisement is taking place;
  - attention is least when the advertisement is presented alone;
  - where interest in the editorial matter is particularly high, there is a high involvement with the advertisements appearing amongst it;
  - for products which can be termed high involvement products, the involvement for advertising tends to be higher for magazines than for television;
  - for low involvement products no such difference appears to exist.

### RECOMMENDATIONS:

THE DISTRACTION LEVEL OF AN ADVERTISEMENT MUST BE CHECKED, PARTICULARLY IF IT IS LIKELY TO BE HIGH.

IN PLACING PRESS ADVERTISEMENTS CONSIDER HOW THESE PRINCIPLES WILL AFFECT CONSUMER REACTIONS.

DO EXPERIMENTAL WORK TO ASCERTAIN IMPACT IF VERY 'BUSY' ADVERTISEMENTS ARE TO BE USED.

## THE USE OF FEAR APPEALS IN ADVERTISING

### ISSUE:

- \* "The use of fear as a means of arousal involves two components: first, it is necessary that some perceived threat, real or imagined, be instilled in the individual and, secondly, there must be the creation of an emotional state which leads to anxiety".
- \* "Anxiety induced through advertising that jeopardizes the person's security (safety), affection and belonging from his family and friends (love), and his self respect, prestige and status (esteem), is likely to seek known or suggested avenues for its reduction. It is in this setting that the offering of the advertiser who has induced the tension and provides a means for its immediate or future reduction, has the greatest opportunity for initiating changes in behavioural patterns."
- \* "The effective communication of the fear appeal message requires that the individual not only receives, but perceives the message correctly - it must be selected and organised into a meaningful cognitive structure. A correct combination of communicator, message and channel are therefore essential to the acceptance of the appeal as being both valid and germane to the receiver if the intent is to confirm, change, or create attitudes." .
- \* The degree of fear incorporated in a message must be at an appropriate level. If it is too high it will activate the defence mechanism of the receiver, and the communication will not be seen. If it is too low it is likely that the receiver will not be interested in the advertisement and will ignore it. In either case the reactions of the message receiver will not be affected by the advertisement.
- \* To determine what is an appropriate level of fear appeal requires some experimentation. Once the differing levels of appeal, and their affect, have been determined in one situation, it is inadvisable to transfer the findings without some check. There is nothing to suggest that findings can be transferred between situations.
- \* The original research into the use of fear appeals was that of Janis and Feshbach in 1953. These authors demonstrated that fear appeals were not altogether a good thing in affecting behaviour. Since this time over 90 studies have been reported, and have produced widely conflicting results.
- \* It is possible that the use of fear is more effective among certain groups of people. Ray and Wilkie suggest that fear appeals work best with people who are low in anxiety and high in self esteem.
- \* An aspect of the use of fear appeals, however, is that they could have undesirable affects. Specifically they could increase anxiety levels permanently.

### RECOMMENDATIONS:

DO EXPERIMENTAL WORK TO DETERMINE THE SUITABILITY OF FEAR APPEALS IN ADVERTISING.

DO NOT EXTRAPOLATE RESULTS GAINED FROM ONE SITUATION TO AN ENTIRELY NEW SITUATION.

THINK THROUGH THE IMPLICATIONS OF USING A FEAR APPEAL.

## THE INFLUENCE OF THE MEDIUM

### ISSUE:

- \* People claiming not to be influenced by advertising are just as susceptible as others and this is not affected by the medium in which advertising appears.
- \* Attention to T.V. programme content is not irrelevant to attitudes towards and preferences for products advertised.
- \* Attention paid to T.V. programmes (and therefore advertisements?) increases from early to mid-evening; the regularity with which a particular programme is viewed also affects attention.
- \* There is little evidence that the liking of a product or its advertising is influenced by the liking of T.V. programme content - particularly for women.
- \* There is limited evidence that the best position for an advertisement, from the point of view of attention and initial response, is in the middle of an emotional film rather than at the beginning or end.
- \* Krugman suggests advertising works not by changing attitudes but by altering the salience (or relative importance) of those already held. High involvement with the medium, he believes can help achieve this. It is often assumed there is high involvement with the media; there is limited proof for this.
- \* Krugman claims that T.V. is primarily a passive medium while press involves more active participation on the part of the consumer.
- \* There is little evidence to suggest that different media types can influence attitude changes to different degrees.

### RECOMMENDATIONS:

ATTENTION TO AND INVOLVEMENT WITH THE PROGRAMME OR EDITORIAL CONTENT MAY ENHANCE THE EFFECTIVENESS OF ADVERTISING.

CONSTRUCTIVE AND EFFICIENT MEDIA PLANNING AND IMPLEMENTATION SHOULD AIM TO TAKE THESE FACTORS INTO ACCOUNT.

## SUBLIMINAL EFFECTS IN ADVERTISING

### *ISSUE:*

- \* Subliminal advertising would be that which caused the subconscious registering of a transmitted stimulus which was below the threshold of normal visual, or aural, perception.
- \* There is extremely limited evidence that subliminal advertising has any effects whatsoever particularly on consumer behaviour.
- \* Attempts at subliminal advertising on T.V. in the U.K. are not allowed.
- \* The threshold level for perception varies widely across individuals and depends on other factors such as the nature of the stimulus, the psychological and physiological condition of the individual.
- \* There is some evidence from laboratory investigations that at some pre-conscious stage of the perceptual process the brain detects the meaning of the in-coming stimulus and so initiates an appropriate change in its level of sensibility for its conscious representation.
- \* Laboratory experiments have failed to indicate that subliminal messages can cause specific brands to be preferred or chosen: e.g. subliminal advertising for a brand of drink may cause a desire for drinking but all brands, if available, are equally likely to be chosen.

### *RECOMMENDATION:*

EVEN IF SUBLIMINAL ADVERTISING WERE PERMITTED THERE IS VIRTUALLY NO EVIDENCE TO SUGGEST THAT IT COULD STIMULATE COMMERCIALY SIGNIFICANT ACTIONS.

CLEARLY UNDERSTOOD AND PRESENTED PERSASIVE APPEALS WOULD BE LIKELY TO BE PREFERRED.

## ATTITUDES AND BRAND CHOICE

### ISSUE:

- \* It has been suggested that attitudes towards features which are most closely related to preferences or to actual purchase decisions are the determinant ones to be studied.
- \* A relationship would appear to exist in many cases between change in attitudes and change in behaviour. The precise nature of the relationship is often not clearly understood because of the intervening effect of other factors. There are some circumstances where behaviour change would appear to precede attitude change and other circumstances where the opposite occurs, e.g. attitudes are claimed to predict behaviour in volatile markets where brand switchers may be more quick to translate attitude change to a behaviour change.
- \* The most robust methods for measuring 'propensity to buy' would appear to be the 'gift choice' question or the 'self rating' method.
- \* The semantic differential scale seems to be sufficiently robust for measuring attitude shifts in many circumstances. However, the reliability of different scales varies little and the choice of technique may be best determined from other factors, e.g. nature of subject matter, sample, situation.

### RECOMMENDATION:

THE RELATIONSHIP BETWEEN ATTITUDES AND BEHAVIOUR IS NOT STRAIGHTFORWARD. THERE IS NO SUBSTITUTE FOR AN UNDERSTANDING OF THE BUYER'S DECISION PROCESS WHEN CONTEMPLATING STRATEGIES FOR THE FORMATION OR MANIPULATION OF ATTITUDES TO ENHANCE OR MAINTAIN BUYING BEHAVIOUR.

Section Six

## OUTSTANDING PROBLEMS FOR ADVERTISING MANAGEMENT

### Outstanding Problems for Advertising Management

*Little is generally known to guide advertising management on:*

*frequency affects*

*thresholds*

*wearout*

*continuous versus burst advertising*

*attitudes' influence on behaviour*

*All these factors can have a bearing on advertising expenditure decisions.*

Section Seven**SOME EXAMPLES OF ADVERTISING CAMPAIGNS AND THEIR EVALUATION**

## EXAMPLES OF ADVERTISING CAMPAIGNS AND THEIR EVALUATION

### ISSUE:

- \* Many companies have conducted consumer surveys which have allowed some assessment of advertising objectives for particular campaigns. Rarely have these surveys been conducted solely for assessing advertising. Where the advertising campaign is a new departure from established practice, a special advertising 'effectiveness' survey is often conducted afterwards; only if some 'benchmark' study was conducted before the campaign can conclusive comments be made on the degree of achievement.
- \* The MCRC has examined the details of surveys and exercises conducted before, during and after many campaigns, and which allow evaluation of the degree of achievement. The extent of detail covered in these surveys is great but because each product is in a somewhat individual situation, it is not useful to present aggregate results of advertising of the form: "the average increase in awareness for new products is x% for every £10,000".
- \* The MCRC examined the quantified market history of most of the products and services in its sample to appreciate the circumstances in which the advertising campaign was conducted and what happened subsequently. This examination is valuable to appreciate how and why different advertising objectives are set in different circumstances. It has also helped assess the usefulness of various means of monitoring advertising's achievement. The MCRC has observed advertising and marketing management for each product or service over a period of 3 years in most cases. Documentary evidence over a longer period was also examined in many cases.
- \* The following brief examples summarise some of the general findings to emerge from the evidence available for evaluating some of the advertising objectives which have been set for products in the sample. In all cases the findings are drawn from large sample surveys conducted before and after campaigns and, in some circumstances, over an even longer period.
- \* For these examples the advertising objectives for the campaigns are cited on the left hand page. During the course of its study the MCRC established what were the broad objectives for advertising for all the products and services in its sample. Many of the objectives set for advertising were argued by the MCRC to be more correctly marketing objectives; however, all objectives are cited for each example on the following pages, where necessary some objectives have been paraphrased to maintain anonymity.
- \* The examples cited on the following pages are not those universally presenting advised methodology. They are primarily presented to reinforce some of the points made earlier in the report.

## Case 1 Product M

Packaged food

Size of market £5 - 10m.

Old, established product

3 branded competitors

Competitive market, very frequently purchased item

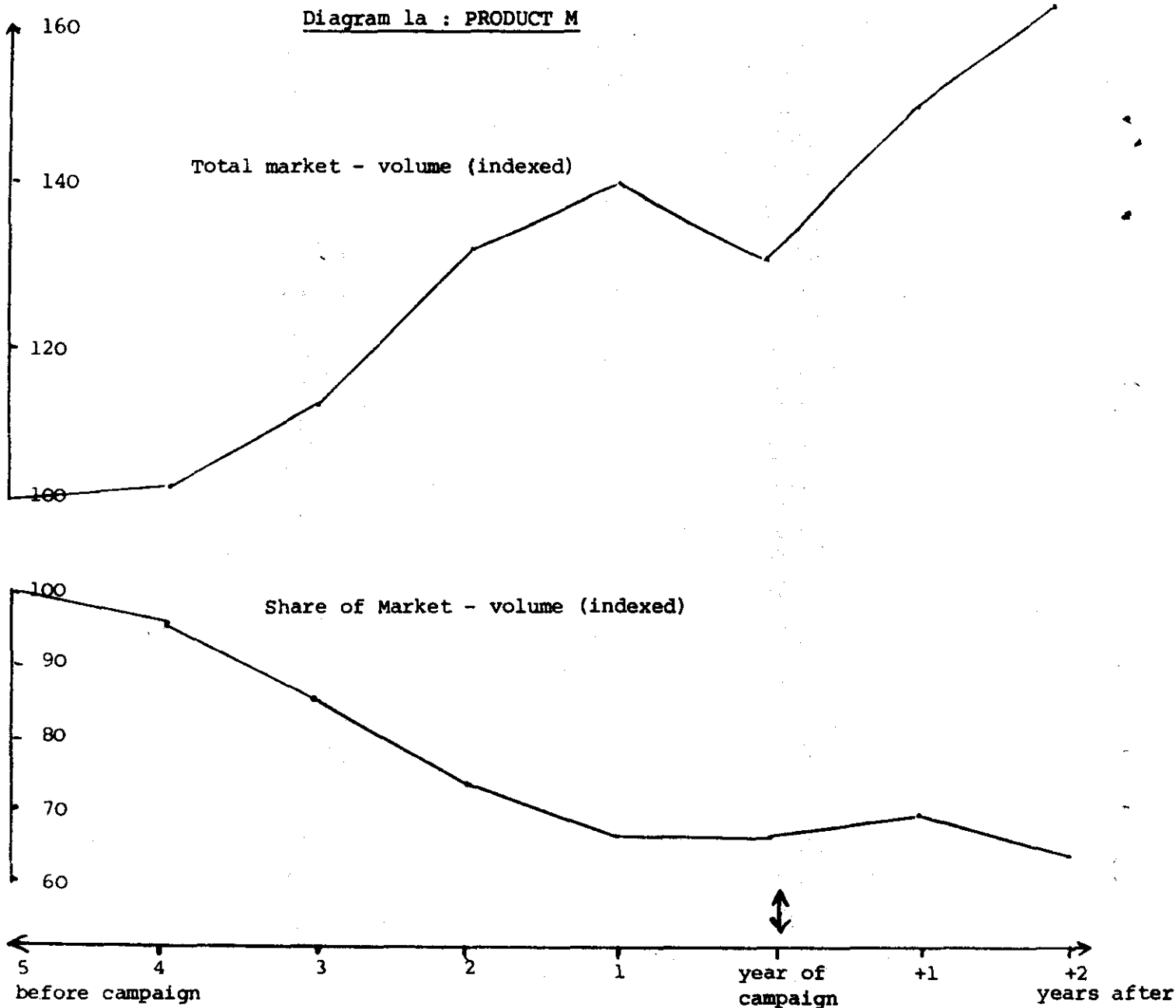
Own label products have between 11 - 30% market share

Product M advertised on TV, spending £140,000 p.a., and spent £240,000 on below-the-line activities

### Advertising Objectives:

- (a) Create an image of quality
- (b) Link the product more strongly to a particular image felt to be already associated with the product
- (c) To appeal up-market
- (d) To demonstrate that the product has 'more goodness'
- (e) To reassure existing purchasers
- (f) To reach all users of the product category
- (g) To illustrate wider use of the product

Diagram 1a : PRODUCT M

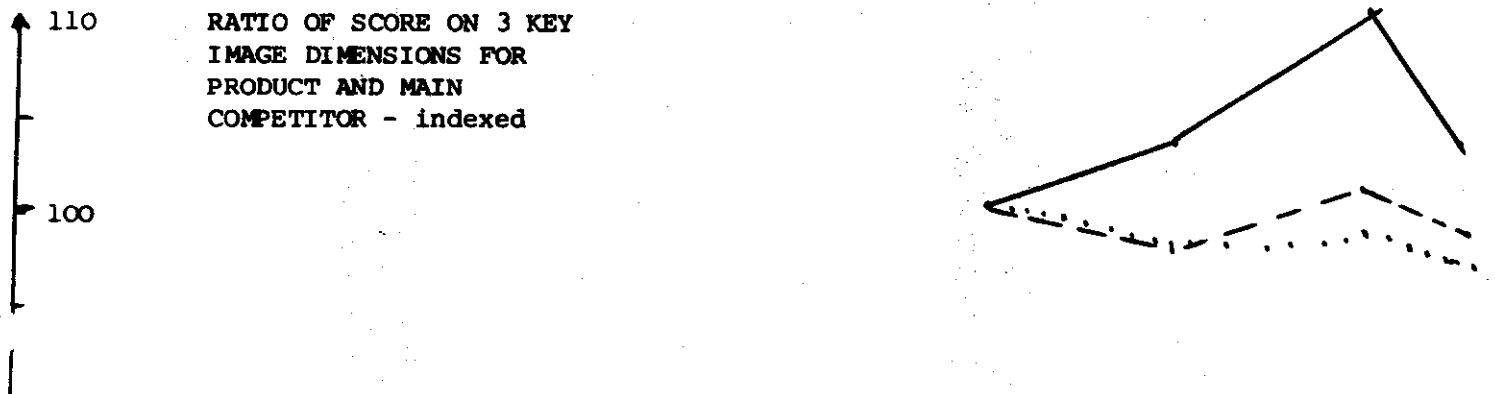
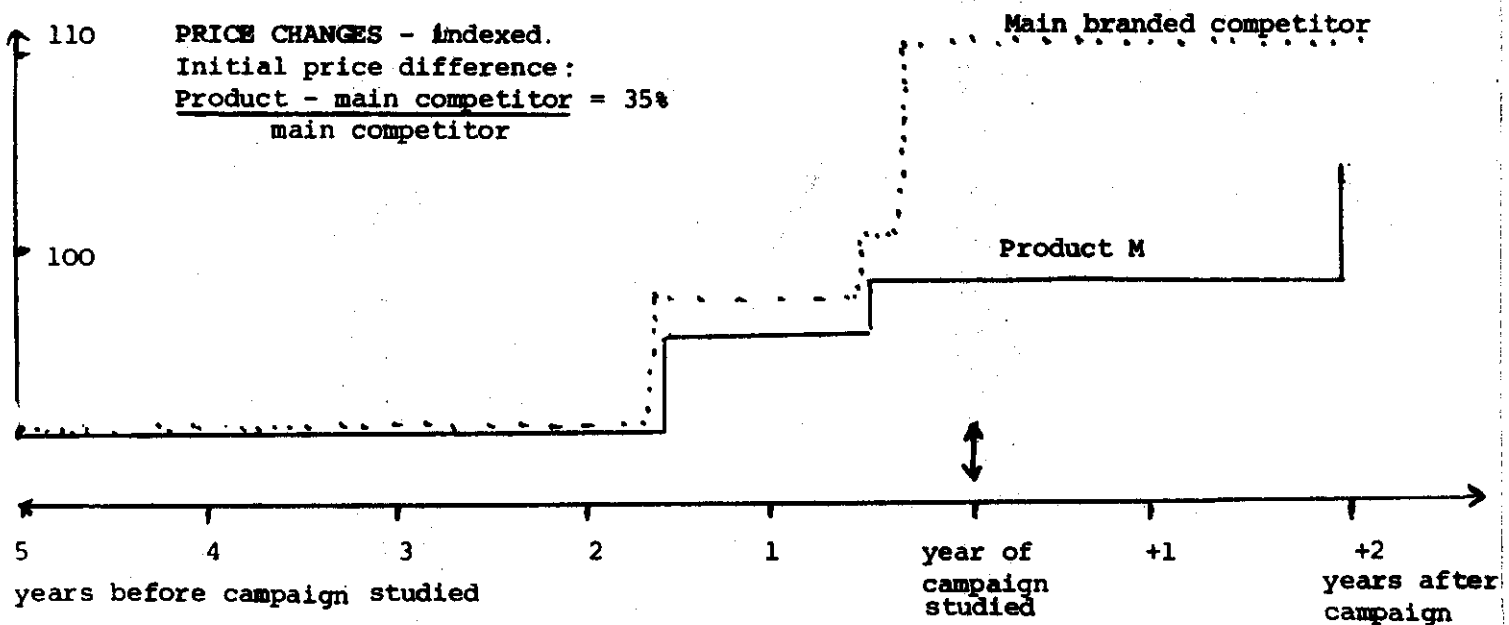


Awareness of advertising remained the same while that of the main rival's diminished. Some 'image' dimensions remained the same while the retention of messages, related to new uses of the product, improved. There was a sharp decline in one dimension, related to product quality, on which the product had traditionally scored well. This was interpreted as being a reflection of changed advertising execution, as this was all that was believed to have changed. The product formulation had not changed. Because the company had measured this dimension in the same way for three succeeding campaigns, it was able to discern that the change in image dimension was markedly different to the trend.

This case is illustrated in diagrams 1a - 1b which follow.



Diagram 1b: Product M



## Case 2 Product 0

Packaged food

Size of market £10 - £40m.

Old established product

6 branded competitors

Not a very competitive market; not a very frequently purchased item

Own label products have less than 10% market share

Product 0 advertised on TV and via posters, spending £550,000 p.a. and spent £300,000 on below-the-line activities

Advertising Objectives:

- (a) Retain existing users
- (b) Ensure that new housewives develop buying habit
- (c) State the advantages of the product to counter competition
- (d) Keep new entrants out of the market
- (e) Create connotations with family situations

## Case 3 Product C2

A non-food commodity, consumable item

Size of market: over £100m.

Old, established product

Over ten competitive products

Very competitive market; frequent purchases

Non-branded, unadvertised products have between 11 and 30% market share

Product C2 was advertised on TV, in the press and in posters, spending £170,000 initially with substantial below-the-line effort

Advertising Objectives:

- (a) To stimulate enthusiasm among the outlets
- (b) To generate highest possible consumer attention for the brand
- (c) To create a warm, friendly image
- (d) Attract non-brand loyal product users
- (e) To cause product class users to trade-up from lesser priced brands

## Case 4 Product A

A packaged food product

Size of market £40 - £100m.

An old established product

6 branded competitors

Very competitive market, very frequently purchased items

Own label products have less than 10% market share

Product A advertised on TV and posters spending £870,000; below-the-line activities accounted for £1,050,000

Advertising Objectives:

- (a) Retain loyalty
- (b) Emphasise taste characteristics
- (c) Emphasise manufacturer's skill and ability
- (d) Expand the market through increased out of season sales
- (e) Reassure existing users

### Product O

Awareness of specific advertising increased, and all product 'image' dimensions improved except in a geographical area where a new branded product was growing in sales and share, even though this share was very small. In this area prompted advertising awareness and product 'image' scores have declined. Another, similar, well-established product in the same market, has suffered the same declines in advertising awareness and image. Sales of product O have declined in this area. The new product could be said to have certain product advantages. Product O's advertising has not been less than usual in the area. The new brand has indulged in much below-the-line activity.

### Product C2

Five, fairly specific objectives were set for this campaign and achievement was exhaustively examined both during and after the campaign. Three of the objectives were achieved while two were not. The former were to evoke a trade response and improve the product 'image'. The latter two were related to buyer behaviour.

On one of the objectives (related to product 'image') a small gain was made but a rival product improved more on this dimension, while a third rival diminished considerably. Many things were measured related to advertising for which objectives had not been set e.g. interest, awareness of campaign. One of the objectives was to improve loyalty: what seemed to happen was that brand loyalty did increase but outlet loyalty decreased. One of the other objectives was associated with outlets and so this effect on outlet loyalty caused by the achievement of another objective could have had unfortunate consequences. The products' market share improved considerably, against a downward trend in several previous years, during the period of this campaign. There was additionally much below-the-line activity and a basic price increase early in the campaign.

### Product A

Periodic large surveys have been conducted on this product and this allows monitoring of advertising objective achievement. The product has a dominant market share of a large market. Scores on 'image' dimensions have been found not to change very much at all over periods of less than a year; even then there is not much change. The product is in a somewhat seasonal market, and there is some evidence to suggest the response to certain 'image' dimensions was also seasonal (or, alternatively, attitudes are conditional upon use). There has been little change in market share or sales volume for the product over the period studied. An area experiment was conducted to see if advertising during the out-of-season period could generate sales. There was some evidence to suggest that the campaign was successful and the experiment was repeated in a following year. There was evidence that the message in the advertising explaining the new use of the product out of season, was understood, and accepted both before and during the campaign.

### Case 5 Product E

A non-food commodity, consumable item

Size of market - over £100m.

A neo-commodity product

Six branded competitors

Very competitive, very frequently purchased products

Non-advertised, minor brands have less than 10% market share

Product E was advertised in the press and spent £400,000 p.a. Below-the-line activities involved spending of £400,000 p.a. also.

#### Advertising Objectives:

- (a) To improve negative attitudes towards the company
- (b) To state some positive reasons for admiring the company
- (c) To promote consumption of the product
- (d) To create an 'umbrella' for promoting other products
- (e) To differentiate the company from a similar one in consumers' eyes
- (f) To create the right impression of the company with opinion leaders

### Case 6 Product G

A non-food commodity, consumable item

Size of market £10 - 40m.

An old, established product

Ten branded competitors

Very competitive market, relatively infrequent purchases

Minor brands have between 11 and 30% market share

Product G advertised on TV and posters spending £500,000 p.a. Some £200,000 was spent on other below-the-line activities

#### Advertising Objectives:

- (a) To persuade consumers to select the right type of product for their needs
- (b) To tell consumers of new types of equipment available to use the product
- (c) To motivate enquiries about the product
- (d) To retain existing users
- (e) To emphasise the economic benefits of using the product
- (f) To create an environment conducive to the use of the product

### Case 7 Product D2

A consumer durable product

Size of market £5 - 10m.

Old established product

Ten branded competitors

Very competitive market; individuals purchase infrequently

Own label, unadvertised products have less than 10% market share

Product D2 advertised on TV spending £200,000 p.a. and spending £67,000 on below-the-line activities

#### Advertising Objectives:

- (a) To convey the favourable properties of using the product category
- (b) To create favourable attitudes towards using the product and product category
- (c) To maintain loyalty among current purchasers

### Product E

The achievement of this product's campaign was very variable: different segments of the target population responded to markedly different extents. Response was measured in terms of acceptance of the messages in the advertising and attitudes towards the manufacturer. The evidence for the degree of achievement was not substantial as the different segments were each small, as a total proportion of the population, and were difficult to reach to administer interview questionnaires. It was found that such things as awareness of the campaign very much depended on competitive activity which varied from segment to segment. It was also realised afterwards, that there was a certain amount of contamination in some segments from previous campaigns for the product. The company had previously conducted two, large consumer surveys in one segment, on what it felt were key dimensions, and so had well established benchmarks to compare against. The sales results of the campaign were not significant. There was some concern after the evaluation studies as to the appropriateness of the target segments.

### Product G

For this product campaign coupon responses were one form of measure. Since much business is generated directly from the coupons further research was conducted into the quality of response and reactions to the follow-up literature. A sample of those returning the coupons were mailed a questionnaire - a high response (well above 50%) was achieved. An annual advertising penetration study is conducted for the product category and provides benchmarks for trends. The survey measures such things as slogan recognition, recall and impact. The product is a relatively infrequently purchased one and a clear understanding on influences on buyer behaviour is not available. Hence there is evidence of the success of campaigns at a display achievement level. Trends can be discerned but reasons, or indications, of why changes have occurred are not readily available.

There was strong evidence that a competitive product achieved much more - in display achievement terms - by only featuring one product. Product G covers a range of variations and featured many of these in its advertising.

### Product D2

Over several years, including that studied in depth by the MCRC, advertising for this product tried to improve the belief in one of the claims for the product's performance. No improvement in this 'dimension' was achieved. In an area where some improvement was gained, as the result of increasing advertising frequency, it was found that the apparent 'importance' of this dimension then diminished.

#### Case 8 Product F

A packaged food

Size of market £40 - 100m.

A neo-commodity product

Ten branded competitors

Very competitive market, frequently purchased items

Non-advertised, own-label products have between 11 and 30% market share

Product F advertises on TV spending £90,000 p.a. It spent some £125,000 on below-the-line activities

#### Advertising Objectives:

- (a) Create product awareness
- (b) Stimulate trial
- (c) Stimulate pack recognition
- (d) Improve market share

#### Case 9 Product E2

A packaged food

Size of market £10 - 40m.

An old established product

Over ten branded competitors

Very competitive market, relatively infrequent purchases

Own label products have less than 10% market share

Product E2 advertised on TV spending £1,400,000 p.a. Some £70,000 was spent on below-the-line activities

#### Advertising Objectives:

- (a) Maintain/improve product image on 5 key dimensions

#### Case 10 Product D

A packaged food product

Size of market £10 - 40 m.

A relatively new product

One branded competitor

A very competitive market; infrequently purchased item

Own label products have between 11 - 30% market share

Product D advertised on TV and in special press media at around £500,000 p.a.; some £71,000 was spent on below-the-line activities

#### Advertising Objectives:

- (a) Retain loyal customers
- (b) Win back previous regular users
- (c) To inform consumers of improved product
- (d) To prevent users trying rival product
- (e) To convey favourable taste properties
- (f) To support claims on taste and quality
- (g) To promote connotations of modernity
- (h) Increase frequency of use by demonstrating variety of uses

#### Product F

This product's advertising is predominately assessed via sales volume achievement against the targets set. During one advertising burst of three months sales targets were achieved, but a new pack had been introduced. During another, similar advertising burst sales targets were not achieved. There was little additional information to ascertain why. The product is one of many in a range, in which there are seven major products.

#### Product E2

Annual, or bi-annual, consumer surveys have been conducted on this product over a seven year period. This survey measures, among other things, those dimensions upon which advertising is primarily thought to be influential. For the campaign studied by the MCRC there was virtually no movement on any of the key dimensions (5). There was virtually no change in market share during the year either. The market had been remarkably stable for several years previously.

#### Product D

One of the objectives of the campaign for this product was to help increase frequency of use of the product. There was consumer panel evidence to show this had not been achieved.

Another analysis (gains/loss) indicated the product had not lost regular users to an improved competitive product. It was believed this was due to product D's strong, favourable image. No direct evidence was available to substantiate this belief; what we would term 'informal' evidence gave circumstantial support, e.g. odd comments at group discussions on a peripheral subject, retailers views, consumers letters.

Case 11 Product Z

A consumer durable product

Size of market - over £100m.

An additional market entrant

Over ten, branded competitors

An extremely competitive market; an extremely infrequently purchased item

Non-advertised, non-branded products do not exist in this market

Product Z advertised on TV and in the press. It spent £360,000 p.a. on advertising and nothing on other direct promotional activities, either to consumers or to the trade

Advertising Objectives:

- (a) To create further awareness of the product among the target population
- (b) To complement the favourable image of the product

Product Z

The evaluation conducted on this product's campaign was awareness. The awareness achieved was adjudged to be high in comparison with that achieved by others in different product fields. When awareness no longer increased advertising was continued but great concern was expressed as to the outcome of this. No subsequent measurement was undertaken, other than gratuitous noting scores; no precise objectives were set for the campaign.