

REPORT NO. 7.

MARKETING COMMUNICATIONS RESEARCH UNIT

Review of Progress to Date and
Outline of Plans for Developments up
to 1977.

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Prepared by the Joint Directors

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PREFACE

This report seeks to summarize the ground covered so far by the MCRU since it began work in 1968. In particular, the Report reviews progress in the major investigation sponsored by 22 Companies into the "Methods of Measuring Advertising Effectiveness".

Its second purpose is to pose questions and formulate an outline plan of the future development currently envisaged by Cranfield for its MCRU.

Sponsor companies on the MCRU's main project, and other associates, are invited to submit their comments and reactions on February 28, 1974. Following discussion then, our formal plan for the next three years will be delineated.

I. Origins and Development of the MCRU

The MCRU was established in 1968 at the University of Bradford Management Centre to explore all aspects of a total approach to corporate marketing communications. Its first project, supported by Benton and Bowles (then Horniblow - Cox-Freeman) explored Below-the-Line Promotional Activity. This was, at that juncture as indeed now, an area of pressing importance, about which all too little was known.

A three year project was conducted. The outcome of which was a series of papers and a book, Marketing Below-The-Line, by Dr. Martin Christopher (G. Allen and Unwin 1971).

As that project came to fruition, the MCRU was beginning its explorations with major UK companies of the problems of assessing the effectiveness of advertising. It was realised throughout that the chance of making any major original contribution during its early stages was slight but that a bold attempt at simultaneous codification and comparison of what was known and what was practised would be helpful. Initially some 19, and currently some 22, sponsor companies agreed with the MCRU's viewpoint and have agreed to contribute £500 per annum each over a three year period to the most substantial evaluative investigation of its nature attempted to date in Europe.

The MCRU has taken a totally multidisciplinary approach and has eschewed any emphasis on econometric methods beloved of earlier researchers. The purpose of the programme of research has been to work alongside practitioners and to present codification and comparison in a viable, workable context for marketing management.

The MCRU albeit unwittingly at first, has rapidly established itself as "The" centre within the UK for this type of work. Contacts with North America and the continental mainland have been rapidly developed; both the IPA and the AA now look to the MCRU for assistance in this area. Finally, both sponsors and the government social services sector are seeking advice and guidance in the development and conduct of their marketing communications activities.

Indeed, requests for assistance and advice are now being received monthly, which are beyond the resources of the MCRU to meet in its present form. It is against this background that we are determined to identify, select and pursue suitable paths of development for the MCRU rather than allow its path to be dictated by our response to random stimuli. We will, therefore, value comments from sponsor companies and other associates.

2) Progress to date on the Major Project Into Methods for Measuring Advertising Effectiveness

In January 1972, two full-time Research Fellows were appointed to the MCRU to work on this major project. They were Miss Sherril Kennedy and David Corkindale, the former a social psychologist and the latter an operational researcher with both industry and agency experience. These two are on three year contracts expiring at the end of 1974.

Work began in the early Spring of 1972 on a preliminary reconnaissance of sponsor companies, which examined the ways in which their executives sought to measure the effectiveness of advertising. The findings of this initial reconnaissance, (MCRU Report No. 1) can be summarised as follows:

- a) No company follows, or is able to follow, a total communications approach in marketing.
- b) For operational purposes most companies adopt, as a measure of advertising effectiveness, variables reflecting the apparent state of mind of consumers towards the product advertised or the advertising. It is generally acknowledged that these measures are not wholly sufficient but are available and useful.
- c) The main activity of market and marketing research in companies is to help describe:-
 - i. the state of the company in relation to its customers.
 - ii. the state of the company in relation to its competitors.
- d) Research and developments related to marketing and advertising research is not being undertaken by many companies directly; it is left to individuals and market research agencies to pursue this course.
- e) A preference for small scale, qualitative research methods to examine many varied problems was expressed by many companies.
- f) It was noted that success in marketing in one product area by a company using extensive advertising was not necessarily associated with success in another product area.
- g) Few examples were found where models had been constructed of markets which included the quantitative effect of advertising on sales.
- h) In many market circumstances, but not all, the non-media promotional effort is planned and executed separately from advertising. Its purpose is usually specified but the achievement of this purpose is not often evaluated.

Against the background of such findings, the MCRU made a detailed review of the "normative" situation. It developed, and is still adding to, a substantial bibliography on the literature on pre- and post-testing. In MCRU Reports 2i and 2ii a review thereof is provided. At the time, sponsors commented that they would prefer such reviews also to be more evaluative rather than simply reportive, and this feature has been built into subsequent reports on the literature, in particular, the review of The Processes of Advertising (MCRU Report No. 4).

Our findings both on the initial reconnaissance and from the evaluation assessment of the literature on the topic, led to the formulation of a model for the second major phase of the programme of research. The model is illustrated in Figure 1, and is the basis for the pattern of investigation to the end of 1974. During 1973, however, attention was especially focussed on producing an examination of the procedures for the formulation of objectives. It will be seen from Figure 1 that this is deemed to be the starting point for any effective methodology for the measurement of advertising effectiveness. After discussion of an early draft form of the findings of the MCRU's fieldwork, MCRU Report No. 6 was prepared.

In parallel, and at the request of sponsors, a series of appraisal documents or 'guides to current best practice', have been initiated in the MCRU. The first of these, An Appraisal of Media Weights Tests (MCRU Report No. 5) appeared in the late autumn of 1973.

Two further such appraisals of "Advertising Budget Setting" and "Pre-Testing Techniques" are in preparation for submission to sponsors by May 1974.

The main thrust of work, however, is designed and will be completed as promised during the initial three year time span. An evaluation to each facet in the model indicated in Figure 1, will have been undertaken. Hence, the important report on "Evaluation of Attainment of Advertising Objectives" will be presented by September. The remainder of the year will be spent in the interpretation of the three year programme of research in order that sponsors may apply the conclusions in their own operational environment. The Final Report (No. 11) of this initial three year stage will help them to do just that.

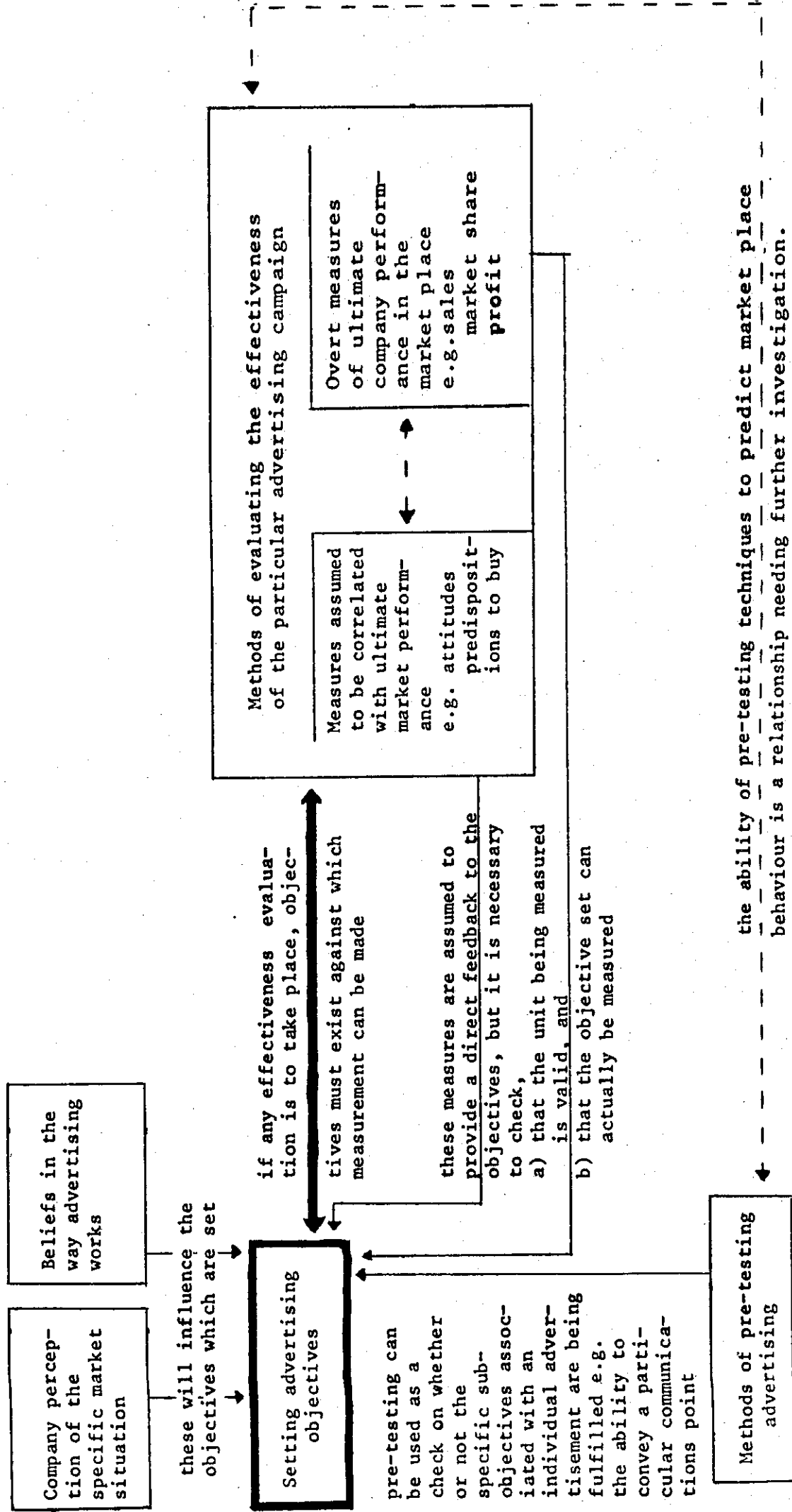
The Committee of Sponsors, with a representative from each sponsor company, has met twice yearly to guide the work of the major project. The MCRU's approach has frequently been modified in the light of such sponsors discussions.

Equally, via the mechanism of the particular MCRU's 1st Workshop at Cranfield in November 1973, (and at the planned 2nd Workshop in November 1974), a fuller discussion of the issues raised has been possible, with sponsor companies making specific contributions to the general debate.

Feedback from sponsors has, in most cases, indicated satisfaction with the work of the MCRU and a feeling that it is fulfilling a unique role in the UK at present. Many sponsors have indicated in private that they would like to see the work proceed beyond the end of the initial sponsorship period. They have wondered in what direction we would wish to travel so that they can comment upon it and discern whether or not it would be appropriate for their companies to continue in support.

DIAGRAM 1

AN OUTLINE OF THE FRAMEWORK FOR RESEARCH



N.B. The dotted lines indicate an assumed, but little substantiated relationship, and also areas in which it is desirable to study, but which will not form the main emphasis of the research.

3) Other Projects Within the MCRU Since 1971;

It has been the policy of MCRU to concentrate all its main resources into the major project at (2) above during the period 1972 - 1974 inclusive. However, specific short term studies have been undertaken, as follows:

- 3.1. An Evaluation of Own Labels for the IPA and published by them in December 1973. The Report was prepared by Aodh O Dochartaigh.
- 3.2. An Examination of Impact of Advertising on Retail Distribution for the AA, currently in progress over a two year period with procedures and evaluation in the hands of Stuart Hammer-Lloyd.
- 3.3. An Evaluation of Media Planning Policies in Industrial Markets, sponsored by the SSRC and undertaken by John Newall.
- 3.4. An Analysis of Factors Affecting Direct Response to Advertising, by Steven Winship.
- 3.5. A Review of Models of Advertising Effects for Sales of Non-Durable Products by Neil Barnard, undertaken in the Operational Research Unit at Cranfield under David Corkindale's supervision with the assistance of Nestlé.
- 3.6. An Assessment of The Role of Advertising for the AA, prepared by David Corkindale and Sherril Kennedy.
- 3.7. Preparation of Case Studies in Direct Mail Promotion, sponsored for use in teaching by the Post Office, and prepared by John Handley, David Corkindale and Sherril Kennedy.
- 3.8. An Analysis of the Role of PR in Total Marketing Communications, sponsored by Young and Rubicam's PR Company - - Planned PR Limited.
- 3.9. Discussions with the Departments of Environment and of Health and Social Security on the applications of proven methods in the communication of details of social service facilities and public propaganda.
- 3.10. An Examination and Review of Methods of Spreading Advertising Appropriations Regionally, sponsored by the Canada Council, British Council and undertaken by Lionel Mitchell (on leave from Acadia University, Halifax N.S.) at Cranfield.

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These auxiliary projects have meant that at any single point in time since 1971 the MCRU has normally had some 4 full-time research works in addition to the role played by the Joint Directors.

4) Strategy For The Next Three Years

We have decided to prepare a three year scenario for the MCRU. Three years seems the most accessible horizon which we can hope to scan. It is Cranfield's intention to sustain development during that period, at least at the level of activity during the period just reviewed. It is our intention to achieve this in two major ways:

- 4.1. By enlisting the future support of Sponsor Companies for the extension of the present major research project into 1975, 1976 and 1977.

There are, of course, a number of Sponsors whose membership of the MCRU does not expire this coming September. The work of the MCRU will, of course, continue with them along lines already agreed.

- 4.2. By enlisting the support of the SSRC via a major grant to explore the "Marketing Communications Problems of Social Sciences and Public Propaganda"

In addition, we propose to continue to accept short term assignments as they arise from sources such as the IPA, AA, The Post Office and Government Departments, and to continue to allocate two students each year within our programme of doctoral studies to work within the Marketing Communications Research Unit.

5) The Extension of the Present Major Project

In this section we develop in some detail the proposals we seek to make for the extension of the major project, hopefully with the continued financial support of our sponsors. They fall into three separate parts.

Firstly, there are aspects of our studies to date (listed in the Appendix) which have been referred to by either the sponsors or ourselves, or by both parties, as areas in which we have as yet only scratched the surface. We would wish to work in some, if not all, of these more deeply. Several can be accomplished by well supervised doctoral thesis research; others will need the attention of more senior research workers.

Secondly, and perhaps more significantly, we wish to extend from our purely analytical basis so far, to experimentation with, indeed within, sponsor companies. There has been no dearth of volunteers already for such an approach. Most importantly, however, we shall be seeking to work together in ensuring that so far as possible the best practice is employed and its efficiency assessed in the field of advertising. The research on the experiments would, of course, be common property for all sponsors with the usual Market Research Society rules protecting the anonymity of collaborators whenever deemed necessary for professional and/or commercial reasons.

Thirdly, we wish to encourage and participate with companies in exploring the implications, both in organisational and analytical terms, of taking a 'total' approach to corporate marketing communications.

To support this extension of our work in the MCRU, we will be asking all sponsors if they are willing to continue with our work along these evolving lines on the understanding that precise orientation at any juncture remains in the province of the Committee of Sponsors.

Sponsors will be asked to extend their present three year agreement for a further three years and to contribute £750 per annum with effect from October 1st 1974. The funds received will be employed to maintain the two posts of Research Fellow as staffing in MCRU for the major project together with support staff and services. The increased sponsor fee is regrettably necessary to take care of the already experienced and anticipated effects of inflation and the natural salary progression of the staff appointed.

These plans are tabled for comment at the meeting of the Committee of Sponsors in London on February 28th 1974, and will form the basis for an approach to each expiring sponsor by the Summer for a decision on whether or not his company wishes to renew its support for MCRU. Naturally we hope that as many as possible, even all of you, will wish to do so. We most certainly will value your continuing supported encouragement.