

10.3 How are we doing? An agency viewpoint

I would like to thank you for the opportunity to address you this afternoon and share a few thoughts. I knew about this only a couple of weeks ago: the person who was going to do it chose to move over to the suppliers' side, and Steve Dougals found this out when he was in Chicago and I was the nearest warm body. Having been in New Orleans I was a bit hesitant to take on this task, since I would not have a prepared text, but I encountered a quote from Eleanor Roosevelt in which she said you gain strength, you gain courage, you gain confidence by every experience in which you really stop to look fear in the face, and are able to say to yourself 'I lived through this horror, I can take the next day that comes along'. It is obvious to me that she never attended a meeting like this.

Let me start by making clear the obvious — my remarks today do not of course reflect a wide consensus of agency opinions, US or otherwise, but I hope that what I do say may spur some comments from those around the world, and particularly from other agency viewpoints. This is important because, as Confucius wrote, a gem cannot be polished without friction nor man perfected without trials — he evidently *did* attend meetings like this. I want to echo Marvin Belkin's comments: I thought highly of most of the contributions, and want to thank all the speakers for their efforts. There is an awful lot of material to digest from this past week, and I plan on doing that over the next several months.

My remarks today will not be all-encompassing: there is really too much for me to try to comment on everything, and I want to focus my attention on the issue of validation. During the week we have heard disparate views on whether validation is an achievable goal. There was a feeling among some that it is quite reasonable for us to expect to arrive at some sort of standard of truth, while on the other hand others expressed the view that it is more reasonable to settle for data acceptability or data reliability, or simply just being empirical. At the risk of being caught in the cross-fire I want to take a sort of middle ground, to take what I consider to be a pragmatic point of view, and to start by telling you how I am looking at the problem.

I am looking at this problem of magazine audience research validity in the context of other problem areas that I face regularly in my dual job at Leo Burnett in Chicago. I have the responsibility for the US media research operation, but I also handle two accounts in the

sense of being responsible for their planning and buying activities — the consumer electronics division of RCA, and Schenely, a marketer of liquor products. We handle problems in areas such as advertising scheduling, advertising weight decisions, intermedia comparisons, and so on. These are problems which, from where I sit, are critical to first achieving and then improving advertising effectiveness. Let me lay out a point of view which nets out that the situation with respect to magazine research in the US is truly not all that bad: with two major audience services, the differences in levels are known, and the methods, the pluses and minuses of each method, have been aired in a series of open discussions that have gone on for a number of years. In economic terms the two major competitors share the market, and I am told that both of them make a profit.

In my view this two-supplier system has at least five positive consequences. First of all, importantly, it allows for choice: we can decide to buy neither, we can decide to buy one, we can decide to buy both. Secondly, competition encourages the maintenance of sound research practices, in areas like sample design, sample size, fieldwork checks, and so on. Thirdly, it encourages innovation, as I think you will find in practice that it does if you look at the record. Fourth, it fosters an interesting and useful exchange of ideas, and fifth it discourages monopolistic pricing. I would say that there are things in the United States that could be worse. Compare the degree of innovation we have in television — compare the network side where we have a monopoly system with the two strong local market measurements, and I think you will see more innovation on the latter side than on the former (if you doubt that, just compare the invoices you receive each month).

What is the downside, though, to the current situation? My friend and the person who asked me to do this, Steve Douglas, submits that if we cannot explain why recent reading or through-the-book as practised in the United States yield different levels or different relationships between weeklies and monthlies, then the credibility of all magazine audiences may be in question. Now you would think that if that were the case then magazine revenues would be suffering, but quite frankly they have maintained their share of market in the US. Comparing, in the advertising revenues reported by the Publishers Information Bureau, the bench-mark year of 1975 (which was a critical year in magazine audience

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research) with the last complete year's information I could get out of Chicago, 1981, we can see that all three of *Time*, *Newsweek* and *US News* have doubled their advertising revenue during this period. *Newsweek's* share of the total advertising market for news weeklies was in the vicinity of 34 percent in 1973 and 1974, and then went through a period when shares were between 36 and 37 percent (with the exception of 1976), and in the post-TGI merger period through to 1981 has grown up to 37 percent and has been pretty much stable. Frankly I do not see how this crisis in confidence has hurt *Newsweek* at all. In fact, if such a crisis did exist, based on these data it would seem to be in *Newsweek's* interest to continue it.

My point is that the validity of the techniques used in magazine audience research may perhaps be a very key issue in the publishing business, but it is for publishers to decide how key it is and how much money they want to put against it. It is, however, less critical as an issue to me and to the clients of the Leo Burnett company. There is a lot of unfinished business in the kinds of areas I mentioned before, areas that impact directly on advertising effectiveness, and I suspect that there would be more interest on the part of agency people and

advertisers in having the kind of talent that is assembled in this room, and all the time and energy and money, going into areas more directly impacting on advertising effectiveness. In other words, while I am *indirectly* interested in magazine audience research I am *directly* interested in selling more colour televisions for RCA or more cases of Dewar Scotch or more boxes of Kelloggs cornflakes or more cases of P & G detergents, and if you stop and think about where print audience research validity would rank in a list of items which could impact on advertising effectiveness you will understand the tenor of the remarks I have shared with you today. In short, I am not really asking you to give up the quest for validity in print audience research: rather, I am asking you to be pragmatic. The answer to the question 'how are we doing?' is 'not badly', but let us move on by being pragmatic and using the good common sense that we have in the process. I want to close my remarks with a little comment on common sense that shows there is no shortage of this commodity, and it is from René Descartes, who said that common sense is the most widely-shared commodity in the world, for every man is convinced that he is well supplied with it.