

## THE ROAD TO ACCOUNTABILITY: IF WE TAKE IT, THEY WILL FOLLOW

Bob Warrens, J. Walter Thompson USA

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### Synopsis

Critical issues of advertising accountability and marketplace testing of print are addressed in this paper. The case study describes a controlled experiment which compared the sales performance of a Print + TV schedule to a Television Only schedule. Testing design methodology is highlighted. The findings provide evidence that print can generate substantial increases in brand sales volume.

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### Introduction

This event is always an enjoyable one for me. Since our first effort in 1981 down in New Orleans, through all of the great cities since, we've shared experiences, raised standards, developed life-long friendships and created a genuine world community for print research. In the natural course of events, we managed to eke out a few good meals and find some magnificent watering holes in the process -- man cannot live on knowledge alone, after all.

Among the regulars here this year, there is a truth which is known to have grown stronger with each successive gathering: that is, issues which emerge in any preceding symposium get attention during the interim year and are dealt with substantively at the next. We can rattle off a litany of such issues, but one key issue from Hong Kong (effectiveness and accountability) proves the point handily. Since that memorable tribal purging, the issue of magazines' contribution to ROI has been substantively addressed and exhaustively pursued.

So we stand here this week in the city of the Golden Gate (perhaps appropriately) ready to do it again -- ready to discuss how we addressed the tough problems. With a little poetic license, you might allow me to observe we are here at the "golden gate" of the next frontier.

Since Hong Kong, Alan Smith, on behalf of FIPP (International Federation of the Periodical Press), and with the contribution and cooperation of many here today, including the U.S. MPA, compiled an important document which gathered the world's experience about magazines' contributions in the marketing mix. Those cases which described marketplace success are, of course, particularly important. Rolf Speetzen's work in Germany and other truly elegant research materialized to answer the call for accountability in print. And the MPA's soon-to-be-launched Phase III Study will be the marketplace equivalent of the initial Multiplier Effect work.

This project should happen this year.

So the pattern continues. We identify problems here and they become the world's agenda -- one which is taken seriously and acted on with awesome resources and direction.

What I'm sharing with you today is (I suppose) the opening shot in the U.S.'s efforts to take the accountability issue for magazines out of the laboratory and into the field -- the first of its kind using our single source panels. In a sense, this study could be viewed as the precursor to the MPA's Phase III.

This material was not a research experiment with lofty purpose and elegant design. The mission for us was to prove to a client that print should be on the media plan. So, as much as we would have liked to put a bit more finesse in the design, this real-world situation was our master here.

The timing for this couldn't be better. There is no question that marketplace testing of print by itself and in the media mix must become part of the natural process of live testing and part of the design of "naturally occurring experiments."

In addition to the focus on testing, what this paper is really about is ACCOUNTABILITY. Nothing is happening in 1993 in U.S. media planning that does not have some accountability parameter tied to it.

Roger Godbeer, of course, has been beating us up for years here on the issue and didn't miss the opportunity in Hong Kong when he said, "You guys have to do several things to ensure magazines success in the future." Two of them were:

1. Set up a central research bureau to collect research and analyze it on an aggregate basis. (Alan Smith's work went a long way towards doing that.)
2. Get better proof of a return on investment for magazines.

From JWT's perspective, paraphrasing the great American football coach, Vince Lombardi, accountability isn't the most important thing --- it's the only thing --- important to advertisers. I can and will argue that some other measures of communication are important in the scheme of things and we need to develop them as well. More on that later. The most important considerations for the well-being of magazines in the future, though, are proving an ROI and getting magazines into the regular process of market place testing.

### Single Source

As you know, single source systems have been around in the U.S. for a while and many U.S. advertisers have adopted them as methods for evaluating advertising and marketing programs. The systems are far from perfect, but they can be important tools for demonstrating accountability.

Over the years, we've had a great deal of experience testing the effects of television advertising on product purchase through single source panels. We've been doing this for the last 10 years or so. Print applications of single source data, however, have lagged considerably behind television applications. This disparity is due, in part, to the fact that effects of television advertising can be seen fairly quickly in the marketplace and, from a research perspective, television sets are relatively easy to meter. Print is generally considered more difficult to measure in the marketplace because of lagging audience accumulation and the belief that print will generate much smaller effects on sales.

### The Case Situation

But here's our contribution -- a study that will dispute this conventional wisdom and hopefully expand the thinking on print effectiveness. In essence, it's a study that uses a single source purchase panel in separate geographic areas to test two different media strategies: a Print + TV plan ("Test") versus a TV-Only plan ("Control"). As I said, we would have preferred to have devised a more elegant test, but the real world interfered with that. An interesting twist involving a unique targeting opportunity will also become obvious when we get into the case details.

The brand we're referring to is a package goods product ...which unfortunately must go nameless. This brand operates in the top-end, expensive sub-category of a very cluttered category. Like most brands in the category, the brand has an extremely small market share but high dollar volume potential.

Many U.S. package goods advertisers who employ mass advertising to reach mass audiences are major proponents of national television advertising. Our client is no exception, spending upwards of \$400 million in television for all their brands, but \$0 in print. Naturally, he was skeptical about what print could add to the brand.

The agency, on the other hand, challenged by the goal of generating incremental volume for the brand, considered both a change in media strategy and a change in target appropriate. Advertising had historically been directed towards a broader and older, Adults 35+ age group. The agency discovered that an important sub-segment of the population -- younger Adults 35-49, and affluent (HHI \$45,000) -- were contributing heavily to category volume, but not heavily to brand volume. The agency wanted to tap this group's potential.

Importantly, these younger and more affluent consumers tend to be light television viewers. This means that they have been significantly under-exposed to the brand's television schedule. To reach these key consumers, the agency recommended the inclusion of print in the brand's 1992 mediaplan.

The client rejected this print recommendation solidly, citing his belief that print could not generate adequate volume for the brand. He did agree, finally, to conduct a year-long test of print's contribution.

At that point, the agency went to work on a test design. Traditional test market recommendations clearly failed to capture the attention of the client. Measures of message communication, advertising and brand awareness, brand perception, and purchase intent were routinely dismissed.

It became obvious very quickly that the client's skepticism about print would only be overcome by demonstrating the effects of print on sales.

As a rule, JWT has some reservations about tests which rely solely on the sales measure. Sales are the net effect, the outcome of the total marketing effort and of the brand itself. Studying them at the exclusion of important attitudinal research leaves us only with a sense of "what happened, " not" why something happened." A more balanced measure of ad effects will be found, we believe, in the integration of both attitudinal and behavioral (sales ) measures. But that's another story.

### **Methodology**

While the agency and brand were discussing test design, Nielsen Household Services released the first wave of data from its new print readership survey.

The methodology of Nielsen's new system appealed to the agency and the brand because it provided a longitudinal panel for monitoring changes in purchase behavior as well as a system for estimating print and television exposure. It incorporated the two more important variables in the test: sales data and readership measurement (even though readership is not measured on an on-going basis).

The benefit of this single source panel is that product purchase, television viewership and print readership data are collected from the same panelists ... from the same households.

Television viewing is measured with household meters. Magazine and newspaper readership data are gathered by using a recent-reading method with a logo card sort.

The readership measurement is self-administered and respondents use the product UPC scanner to scan barcodes on magazine logo cards to record selections.

### **Test Design**

Since the brand had never advertised in print before, the test design was relatively clean. Print could be added to discrete geographic regions of the U.S. and compared to the balance of the U.S. which received only television. For evaluation purposes, matched control markets within the balance of the U.S. were selected.

The effects of advertising would be read on total brand volume, as well as on the volume generated by the key target (Adults age 35-49 with household incomes \$45,000+).

Three key measures were analyzed: total volume, penetration (number of households buying the brand) and buying rate (number of pounds per individual buying household). These measures were examined among several groups of consumers pre-assigned in the Nielsen panel:

- o Consumers living in Test, Control regions
- o Brand overall target (A 35+)
- o Key target within Test, Control regions (A35-49,\$45,000+)
- o Magazine readers within Test, Control regions
- o Key target in the Test, Control regions who are magazine readers.

Our ability to read differences in the five groups would depend on sample size. In 1991, Nielsen's panel included 15,000 households (now going up to 40,000), but our brand was purchased by only about 3% of them. This means the starting sample size was under 500 households.

We anticipated, and indeed did have, a difficult time reading the effects of advertising on magazine readers in the Test/Control regions as well as the last group -- the key target in the Test/Control regions who are magazine readers. Small sample sizes prevented us from analyzing the direct match between brand buyers and magazine readership.

## The Media Plan

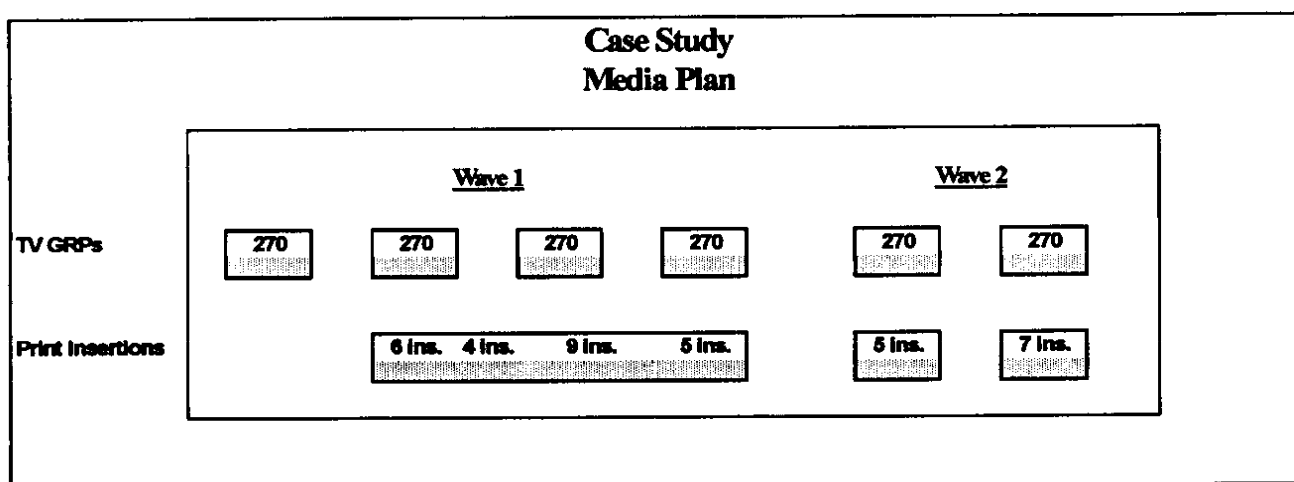
The magazine plan added about 15% more GRPs to the plan. Thirty-six insertions were run over the course of seven months. During an average 3-week television flight, 42 extra GRPs of print weight were run on top of 270

television GRPs. The effect of the print schedule added about 10 reach points to the schedule against the broader Adult 35+ target, but very little frequency.

Regional editions of national magazines were purchased in approximately 20% of the U.S. -- in California, Illinois and Massachusetts. These markets became the "Test" markets. "Control" markets of Washington State, Washington DC, Maryland, Florida and North Carolina received the national television weight.

These Test/Control markets were selected on the basis of their business development (BDI) and contribution to total brand volume. For the most part, volume was read in these states through major markets.

One important aspect of the media plan is that it is heavily skewed towards the first-half of the year. The first-half of the year received twice as much weight as the second-half of the year.



It's important to mention that this test involves the effect of incremental print weight on top of television weight. If we had the luxury of a completely controlled test design, we would have tested the effects of incremental television weight, too, rather than leave-open the question of which element of the equation -- incremental weight or incremental print -- drives the volume.

However, let's remember that the brand's key target tends not to be television viewers. In the eyes of these consumers, then, we were not necessarily adding print on top of television.

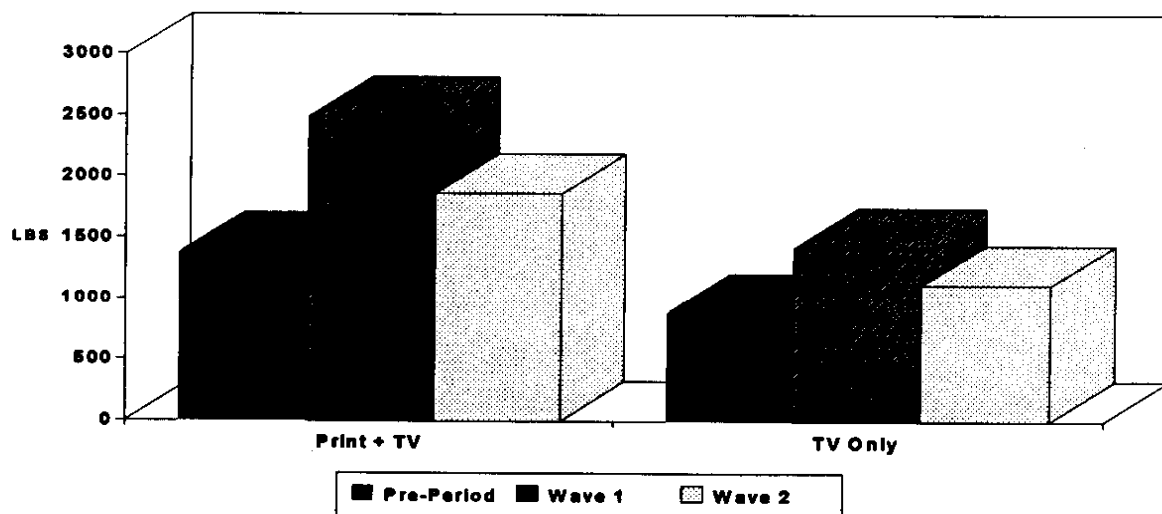
## Findings

The test ran throughout all of 1992. We have two sets of results to share, since the test was run in June and December. These results will be compared to the pre-test period of first-half 1991. The lack of seasonality in the brand and category makes the year-ago pre-test period appropriate.

### Total Brand Volume

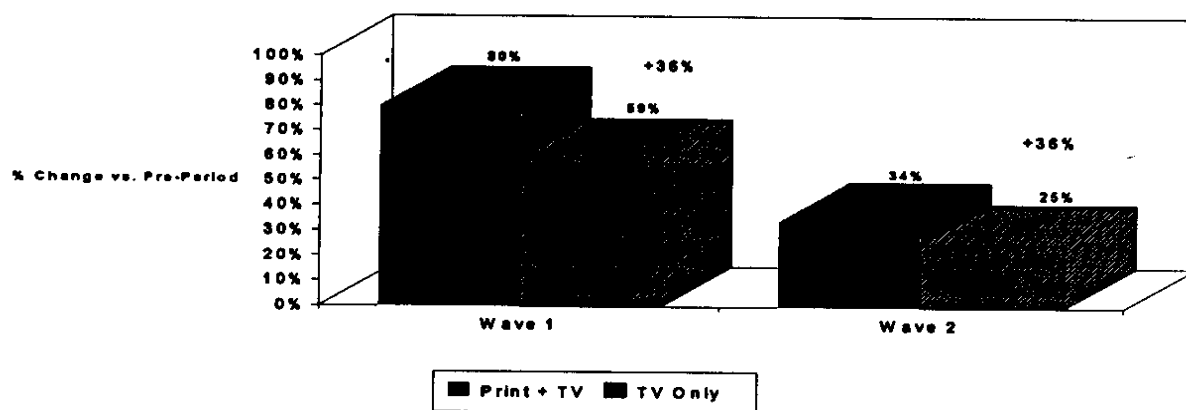
Throughout the year, overall brand volume grew in both the Test and Control Regions. Wave I results show significant improvements in brand volume (up 80% in the Print + TV region and 60% in the TV-Only region). This improvement slowed somewhat during Wave II, the second half of the year, which we would have expected due to decreased advertising weight. However, sales in both the Test and Control regions considerably exceeded Pre-Period levels.

### Growth in Total Volume



Importantly, however, though the brand was growing, the Print+ TV region out-paced growth in the TV-Only region by 36%.

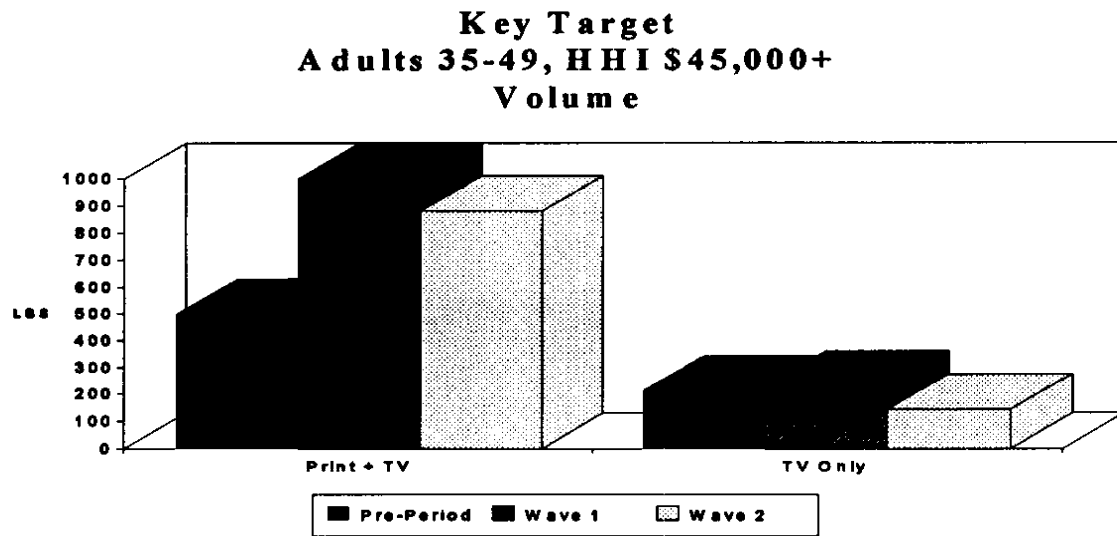
### Volume Print + TV versus TV Only Markets



### Volume Generated By The Key Target

The effects of Print + TV advertising are seen dramatically in the volume generated by the key target, Adults 35-49 with incomes over \$45,000.

Wave I results show an increase of 99% in volume among these consumers compared to the pre-period and an increase of 75% at the end of Wave II. Meanwhile, volume in the Television-Only region grew 7% among the key target in Wave I versus the pre-period ... and then declined 33% in Wave II.



Volume can be broken out into its two major components: penetration and pounds per buyer.

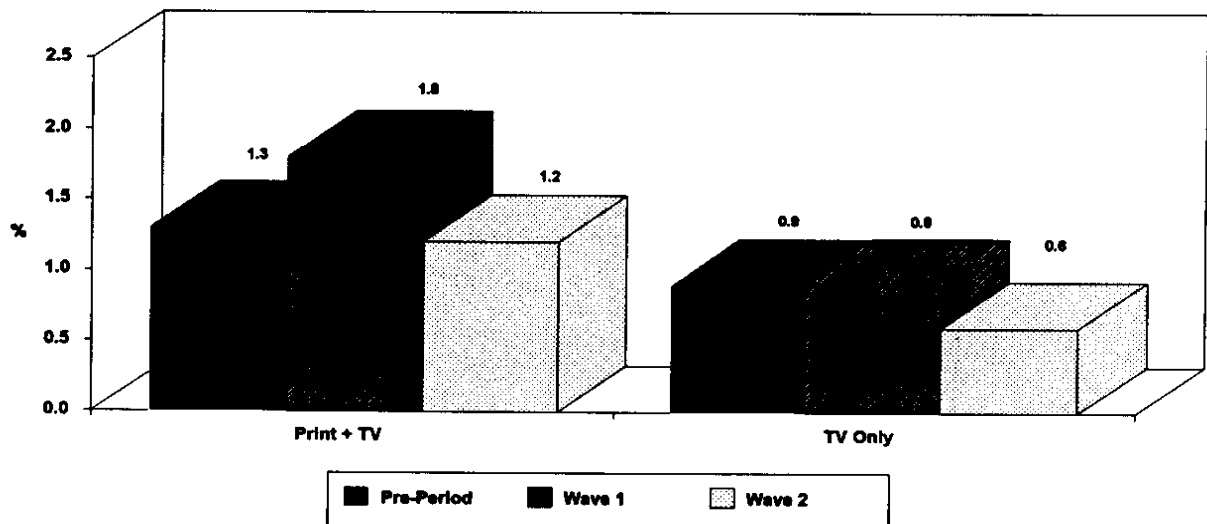
### Key Target Penetration

It's interesting to compare brand penetration (percent of households purchasing the brand) among consumers who received the Print + Television advertising versus those who received Television-Only.

Penetration increased after Wave I advertising for the key target -- up a half-point to 1.8%. Penetration slipped in Wave II among consumers receiving Print + TV advertising, dropping to 1.2 -- 8% below pre-period levels. This decline might have been expected given the decrease in advertising levels in the second-half of the year.

However, for consumers in the key target who received only television advertising, penetration remained the same during Wave I. During Wave II, penetration declined 33% from the pre-period.

### Key Target Adults 35-49, HHI \$45,000+ Penetration

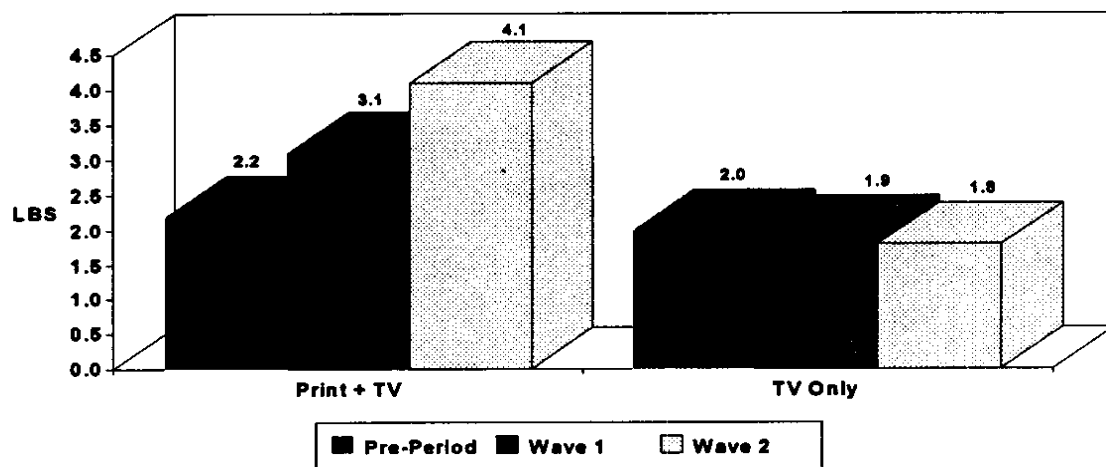


### Key Target Pounds Per Buyer

However, in terms of pounds per buyer, the key target who received the Print + TV advertising generated significantly more pounds per buyer -- and this number increased steadily over the pre-period throughout both Waves I and II. In fact, these consumers bought twice as much of the product as the consumers who received only television advertising.

The key target consumers who received only Television advertising demonstrated virtually no change in pounds per buyer.

### Key Target Adults 35-49, HHI \$45,000+ Pounds Per Buyer



### Summary of Findings

Improved targeting is one reason for this case's success.

It's apparent that the extra attention paid to the key target clearly paid off in terms of incremental brand volume. Television advertising has little effect on the key target, which we can see through their volume decline throughout the test.

The brand uncovered the "elasticity" in the target group --the sensitivity of the target to brand advertising -- that can be tapped once the target is reached correctly.

The case clearly demonstrates the role print plays in targeting this important consumer group, and the benefits the brand received in addressing these consumers through an extremely targeted print campaign.



## Closing

This case is great! Almost too great. The results solidly and conclusively demonstrated that print can drive volume in the brand's key target.

The test sold the print plan, of course, and at the same time taught us a lot about the print testing process. One of the most important things we learned is that print should be part of the normal media testing process ... so I offer that as my primary observation.

Also, the test points to the interesting twist I alluded to earlier. This was every bit a targeting test as it was a print test. The brand had been advertising to a very broad Adults 35+ target. The younger, more affluent sub-market provided important volume opportunities which may not have been realized if only television weight had been in the plan.

A few other points deserve note. The first is that in addition to results of marketplace measurement tests, we should include pre-test of the print creative itself.

As the U.S. MPA's Multiplier Effect Study learned, in order to show positive results for print in the mix, it needs to be good print -- advertising that communicates its intended message to begin with.

The majority of television commercials are pre-tested and many fail at that point. Then it's back to the drawing board. We know that a large percentage of print ads tested for the MPA's study also failed basic copy theme playback tests.

Given that, one can argue that the print industry must seriously consider promoting print pre-testing -- even subsidize it, if necessary -- because testing and using ineffective print creative only shows print to be ineffective.

Unfortunately, in our case study, the creative execution was not pre-tested. Had it been, we would have known in advance whether the ad communicated what we intended ... or whether it stood a prayer of a chance of working in the marketplace. One element of test market risk would have been eliminated by pre-testing.

If the Print + TV schedule had failed to generate greater volume than the TV schedule, we wouldn't have known what went wrong -- whether the failure was due to a creative problem or a print problem.

Secondly, we shouldn't dismiss the surrogate or qualitative measures of print effectiveness ... as I said before ... such as awareness, persuasion, purchase intent and others. They help us understand the "Why" of the "What." These measures give us greater insight into reasons for particular successes in the marketplace that can help us duplicate results without having to do a full blown test each time.

So, in closing, what should we take away from this case by way of direction? I think a few things are worth considering... not necessarily in any order.

1. In the U.S., support the MPA's Phase III initiative.
2. Encourage print pre-testing.
3. Even before Phase III is started, work needs to be done on how to use single source purchase panels for print testing. We need to write an instruction book.
4. The magazine industry in all parts of the world should be pushing for and participating in marketplace testing at all levels.

We'll know we're on the right track if, next time we light the counsel fires in Berlin, we have more advertisers and agency people in attendance. Especially advertisers.

If we do it ... they will come.

