

'THE RESEARCH STUDY' OR THE ADVERTISING IMPACT OF MAGAZINES WHEN USED IN CONJUNCTION WITH TELEVISION

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Synopsis

At the Hong Kong Symposium, Bob Warrens of J. Walter Thompson, U.S.A. summarized the findings of the early phases of the Magazine Publishers of America research program which indicated that print advertising used in conjunction with television was more effective than television alone. The effectiveness measures were brand recall, brand selection (pre and post-exposure to the test ads) and competitive imagery. The data were generated from a controlled experiment conducted under non-field laboratory conditions.

Phases III, to begin soon, is a live in-market test of advertising effectiveness relative to other media or promotional expenditures. The principal effectiveness measure will be changes in brand share and sales volume. Approximately ten non-competing brands in eight to ten matched markets will be tested. The advertising will run for at least a one-year period, and for an additional year to measure carry-over effects.

Because of the importance of magazine newsstand sales and out-of-home readership, a split cable design is not appropriate. Instead, a multi-market controlled experiment using Nielsen SCANTRACK scanner store panel will be used for the sales measure and continuously tracked over time.

The Nielsen Household Panel will also be used. Detailed information on brand image, purchase intent, ad awareness, slogan recognition and other attitudinal factors will be tracked continuously by a telephone tracking study---pre, during, and post-test.

Introduction

Beginning in 1993, the Magazine Publishers of America (MPA) will undertake the third and final phase of a landmark research study begun in 1989. This phase will be conducted by Nielsen Marketing Research.

Known within the magazine industry simply as THE Research Study this seminal program of advertising-effectiveness research was designed to shed light on *the advertising impact of magazines in conjunction with television*.

Because Phase III of THE Research Study will accomplish a real world, in-market assessment of the effects of various combinations of magazine and other advertising and promotion on specific brands, a crucial element in its success is the *direct participation of major national advertisers*.

This presentation is intended to summarize:

- What the MPA has learned so far from The Research Study.
- What it hopes to learn from Phase III -- and how.

Background

It will come as news to no one that the shift in spending from advertising to promotion has alarmed the advertising industry.

What may come as a surprise, however, is that the advertising industry is, of late, taking responsibility for *accountability*.

Publishers and advertising agencies alike are recognizing that to compete with promotional spending and other alternative media, traditional advertising must *demonstrate* its effectiveness as it never has before.

Three Study Phases

A three phase program was planned. Phase I was methodological in nature, and resulted in the testing procedures which were applied in Phase II.

Phase II tested advertising effectiveness for nine different brands under carefully controlled laboratory conditions. The objective of Phase II was to compare the levels of brand recall, preference, and image achieved under four different advertising exposure conditions. Without going into the details, which are summarized in a printed report, the four test conditions were these: (1) the respondent exposed to no advertising for the test brand, (2) exposed to two television commercials for the test brand, (3) two magazine exposures and, (4) exposure to a single print ad and a single television commercial for the same test brand.

Phase II tested advertising for Kraft Miracle Whip, Reynolds Plastic Wrap and e.p.t. among samples of women. Advertising for Advil, Ultra Slim-Fast, Bud Dry, Buick Roadmaster, Bosch Spark Plugs and Pennzoil Motor Oil were tested among samples of men. The findings of Phase II strongly suggested that a combination of print and television communicates more effectively than does either medium alone.

Plans are now under way for the completion of Phase III using advertising that will be pretested for communication effectiveness. Phase III is to be a series of field experiments for the purpose of assessing the effects of using various combinations of magazine and other forms of media and promotion spending in the market place, principally using sales as a measurement criterion.

Phase III Method

Phase III, slated for 1993/1994, will be a series of live, in-market experiments on the effects of using various combinations of magazine advertising in combination with other media and promotions. Between 1993 and 1994, the MPA, in partnership with Nielsen Marketing Research, will test approximately ten brands in about ten matched markets. During that time, television viewing and magazine readership will be closely tracked.

Participating advertisers will receive a minimum of at least \$1,000,000 of advertising space in test markets contributed by MPA-Member Publishers.

Primary measurements will be:

1. Actual sales, as tracked by Nielsen Marketing Research's sophisticated in-store *Scantrack Scanning Network*; and
2. Nielsen's high-tech in-home scanners, a key part of *The Nielsen Household Panel* (which correlates very closely with in-store scanning data)
3. *Consumer awareness and attitude studies* conducted by telephone.

Sales Measurement Procedure

.The MPA will request the participation and support of major advertisers whose brands are among the over one-million UPC-coded items sold through food stores where Nielsen Scantrack Scanners are in place.

.Once it is determined which brands will be participating in the study, Nielsen will begin the complex process of selecting matched market pairs.

.Candidate test markets will be selected from among markets 21 through 50 of the U.S. markets from which Nielsen already gathers Scantrack sales data (i.e., excluding the top 20). Only those candidate markets in which the test brand has been advertised during the past two years will be considered.

.Test-brand performance in each of the candidate test markets over the past two years will be analyzed, weighing both *sales volume* and *share of market*. *Category development* in the markets during the same period will also be traced, to determine whether there was growth or decline from year one to year two.

.Sales figures will be adjusted to take both trade and consumer promotions into account, allowing for the advertiser or an individual store having run coupons, sales, or other special promotions in the candidate test markets during the previous year. By compensating for differences in sales volume that might have resulted from pricing and promotional efforts, a clear picture of the net effects of the advertising conducted in those markets can be obtained.

.Scantrack also has sales and promotion data on competitive brands, and knowledge of the media mix in the markets. Therefore, it will be possible to determine what effect their "noise" has on test-brand sales. Moreover, if an advertiser wants to measure the effects of changing the level of spending with the same media mix, Nielsen can determine the necessary change in sales-level that will justify such a change in spending.

.Most of the necessary promotion data are already in the Nielsen Scantrack database. And where such information is lacking, Nielsen has developed a sophisticated statistical procedure that enables it to correct for such promotional effects.

.A special test simulation has been designed as a fail-safe procedure for determining *before testing* the wisdom of including a particular brand in the proposed series of experiments. The simulation will provide an estimate of the observed net sales increase that must be obtained in order for an advertiser to "break even" on the increased advertising expenditure, if fully implemented. Working with advertisers, the MPA and Nielsen will assess if the net sales increase is realistically attainable. The simulation will also reveal whether the variance between market pairs is too great to obtain meaningful results.

.An experimental mix of advertising will be applied in the test markets, as well as a mix of advertising and promotion, while advertising and promotion in the control markets will continue as planned. Scantrack will monitor test-brand sales in all test and control markets throughout the advertising period, and for a year thereafter.

.As in Phase Two, extensive pretesting of print ads to make certain that they communicate the objectives of the advertiser will be required. Print ads must meet or exceed the normative standards established for the appropriate product category, or they will have to be altered and re-tested before going forward.

Nielsen Household Panel

.In order to relate purchase behavior to media exposure on a household level in each of its Scantrack markets nationwide, Nielsen has installed sophisticated hand-held in-home scanners in anywhere between 75 and 2,000 households--a total of 40,000 nationwide. Designed to eliminate the paper diaries employed in the past market studies, these user-friendly hand-held scanners are fast and easy; it only takes about 10 minutes per week for consumers to scan the bar codes of every purchase they make, and to record such information as purchase date, store name, coupon use, and special promotion details. Once a week, these data are downloaded by phone to Nielsen.

.Every week throughout the year, household panel participants are asked to respond to a magazine readership poll. By scanning the logo cards and indicating which magazines they've read and their frequency of reading, participants will let Nielsen pinpoint the precise number of magazine-exposure opportunities per household, and to analyze the resulting effects on purchase behavior.

Telephone Tracking Study

.To gather detailed information on brand image, purchase intent, advertising awareness, slogan recognition, and other attitudinal factors, Phase III will include a telephone tracking study to be conducted continuously--pre-, during, and post-test. Approximately 100 interviews per week for a total of 60 weeks will be conducted, including the four weeks before test advertising begins and the four weeks after it ends. *Advertiser participants will have significant input on what questions are asked during these telephone interviews, as they relate to the attributes to be evaluated by the brand image questions.*

Phase III Project Execution

In order to ensure that Phase III is designed and executed according to the highest professional standards, the study will be executed by Nielsen Marketing Research which has enlisted the consulting assistance of Dr. Valentine Appel, an internationally recognized consumer psychologist with 40 years of experience in advertising research. Dr. Appel is uniquely qualified to supervise Phase III of "THE Research Study," not only because of his expertise in field experimentation, but also because of his background in magazine audience measurement. Before joining Backer Spielvogel Bates six years ago, Dr. Appel served as Executive Vice President of the Simmons Market Research Bureau.

Benefits to Advertisers

A huge value on advertising space. Advertisers will actually be receiving over a million dollars in magazine advertising space, contributed by MPA-member publishers in test markets.

Access to proprietary data. All participating advertisers, depending on the exclusive agreements struck in terms of sharing and/or releasing data, will have access to valuable marketing data resulting from the study.

Key participation in truly breakthrough research findings. Phase III of The Research Study is aimed at providing definitive proof that by shifting ad dollars from TV or promotion into print, advertisers can tap the same or enhanced benefits for a substantially smaller investment of ad dollars.

A vital contribution to proving advertising effectiveness. By becoming partners with the MPA in this crucial last phase of The Research Study, advertisers will be helping to further our understanding of advertising effectiveness. Together, we will gain the kind of post-facto knowledge needed to help guarantee all of our futures.

In Phase II, the MPA proved that the advertising industry can pull together to undertake basic research on advertising effectiveness, and obtain credible and useful results. Now it's time to work together to learn even more. The MPA is committed to advancing the advertising industry's knowledge of the synergy of print and today's many other media choices. It is our hope that we can count on advertisers' crucial cooperation in enhancing that essential knowledge.