

THE IMMEDIATE AND BROADER IMPLICATIONS OF THE ADTRACK STUDIES

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The Adtrack Studies

The 1994 Ad Track study, undertaken for IPC Magazines Ltd, grew out of the experimental work undertaken by Millward Brown and described by Gordon Pincott at the Hong Kong Symposium in 1991(1). Let me remind you very briefly of the two major conclusions described in this paper. In the first place Millward Brown came to realise that the only way in which they could interpret their press ad awareness graphs was by assuming that print ads wore out before the campaign finished. This was quite contrary to their television experience, which was that there was no evidence that television ads wore-out in terms of their ability to generate advertising awareness, at least at the exposure levels being used.

This print modelling work lead to the calculation of Table 1 below. It will be seen from the heading that I prefer to call this phenomenon over-exposure, since wear-out has been so frequently misinterpreted by publishers. It has been thought to imply that the paper wear-outs physically or the ink rubs off.

Table 1
Effect of over-exposure for individual print creative treatments

Exposure to same execution	Proportion of full effect %
First	100
Second	100
Third	75
Fourth	25
Fifth+	10

It will be seen that the rate of decline in effectiveness is really quite steep, with far-reaching implications which are discussed below.

And secondly Millward Brown also came to realise that any print ad tracking study which allocated the effort being put into the market according to the cover or publication date was failing to take account of a second key difference between the two media. Namely readership time lag. This factor is mainly applicable to magazines, with many titles generating readership over a lifespan of many months. In order to understand this issue more clearly Millward Brown undertook at their own expense a major study to enable them to plot the incidence over time of the reading events generated by different types of magazine. This study enabled them to illustrate the effect of readership time lag with the following example.

In the past they would have treated a magazine campaign employing Sept and Oct magazine issues as in Chart 1, whereas their experimental study lead them to appreciate that the actual distribution of advertising effort would have been as in Chart 2. The difference is very noticeable.

Chart 1

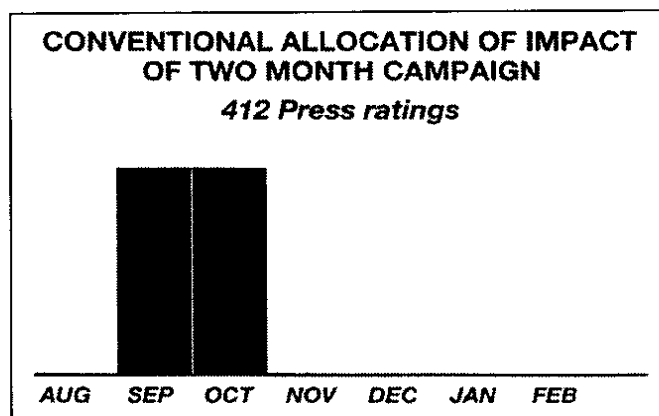
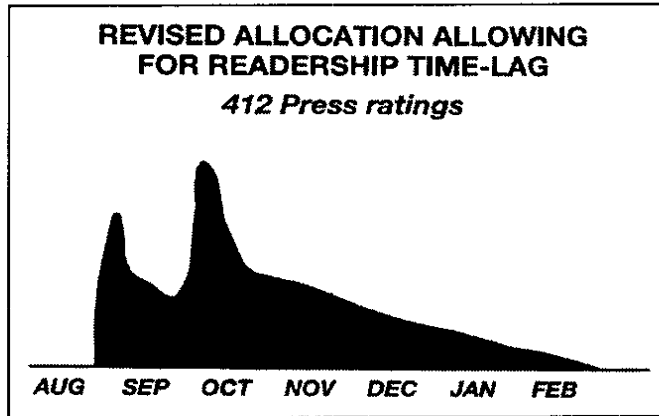


Chart 2

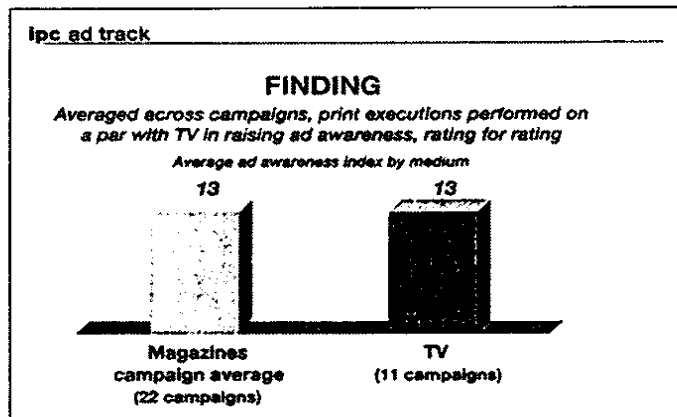


Given confidence by the work of Millward Brown IPC Magazines commissioned them to undertake a study to track the achievements of 22 magazine campaigns, 11 of which also involved television advertising. Comparable questions, mainly relating to advertising awareness, were asked of 10,000 respondents across 1994, interviewed by the telephone (2).

I am well aware that in this forum there will be some who will want to challenge the use of ad awareness as a measure of effectiveness of advertising, so I will content myself with the comment that since ad awareness is one of the main measures used by Millward Brown and since, world-wide, they are now operating around 500 separate tracking studies there must be many advertisers who are convinced of its value.

The outcome of this work may be summarised very simply. It showed that if proper allowance was made for the time lag factor and on a comparable basis the two media, television and magazines achieved identical average ad awareness scores - Chart 3.

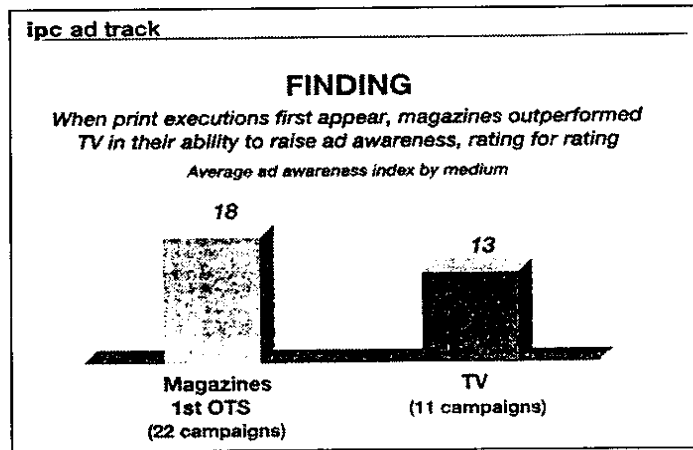
Chart 3.



Parity of performance may not seem to be a particularly good result for magazines, but when I tell you that prior to this work the industry expectation in the UK would have been of television out-performing magazines by at least a threefold factor and it will be realised that this was truly attitude changing research.

Furthermore, if the analyses were adjusted to allow for the calculated fade-away rate, thus avoiding loss of impact through over-exposure, the comparison becomes even more favourable for magazines - Chart 4.

Chart 4.



This work was one of the factors which led to the Kenco Instant Coffee media strategy test(3). The story starts in early 1995 when the management for Kenco Instant Coffee agreed to conduct a regional advertising test which involved switching 25% of their television-only budget out of television into magazines in 35% of the country. They used 14 magazines in total, all published by IPC and all with an ability to make regional splits in their ad content.. The test ran for 8 months and the main criteria of achievement was sales. The outcome was that the mixed budget outperformed the television-only one by 28%, and as a consequence Kenco are now advertising regularly in magazines, with other brands marketed by the same company, Kraft Jacobs Suchard, following suit. During the planning stage for this work the number of creative treatments was increased from 4 to 6, a change which Millward Brown estimated would improve the performance of the campaign from a 63% efficiency index to one of 85% (Charts 5 & 6). This was a 35% gain in performance.

Chart 5

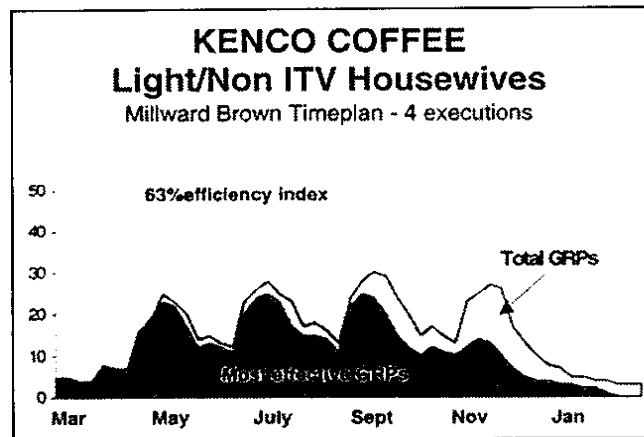
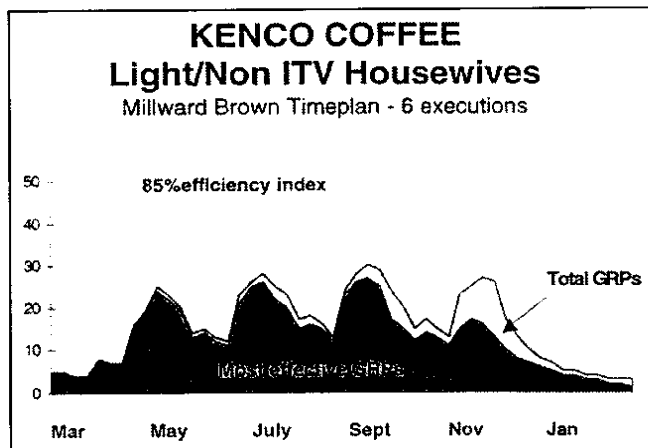


Chart 6



The Ad Track work which is going on at the moment is called Rolling Ad Track, to signify that it is perceived as a continuing operation. It is technically very similar to the work done in 1994, the main difference being that it is now being sold by IPC as a service to the advertisers, who have to pay for their involvement.

Immediate Implications

For the purposes of my paper I have chosen to limit my discussion of the immediate implications of the Ad Track studies to the issues which directly concern most of us at this Symposium. Namely readership studies, scheduling and recently the emphasis being placed on the measurement of print effectiveness, especially by means of tracking studies.

In the final section of this paper I broaden the horizon to cover other issues which arise.

Readership studies

While others may wish to challenge the work I have no problems in accepting that the time lag and over-exposures factors are as significant as Millward Brown have found, because they are in accord with everything that I know about the way in which magazine advertising works. Time lag is surely one of those issues which are obvious once pointed out, while it is my belief that over-exposure arises largely from the ability of readers to control how long they spend with any item on a page, whether it be advertising or editorial. I have long argued that in advertising terms the key difference between print and television was not sound or movement, but time, time under the control of the reader but not the viewer.

When faced with a fresh ad in a magazine the level of involvement will be governed to a large extent by the interest of the reader in the type of product being advertised, and the quality of the creative treatment. Thereafter, and according to Millward Brown it would seem that this level declines rapidly, as readers say to themselves 'I've seen this ad before', and dismiss it from further thought. Change the treatment, make the ad seem fresh, and the impact level goes up.

If both these factors are important we need to refine much current scheduling practice. They mean that print schedules need to be evaluated on the basis of the reach and frequency they achieve:

- * in total
- * per time period (say 4 weeks?)
- * per creative treatment
- * minimising the level of wasteful exposure per treatment (3+?)

In so far that these requirements cannot be met from the studies and computer modelling facilities now available we should be seeking to make the necessary changes. In this paper it is not my intention to discuss how this could be done, but I would like to mention that my Symposium paper in 1991 discussed these issues in some depth(4).

In placing emphasis on the need for this work I accept that it is of a different nature to most of the issues which have dominated previous Symposia. In the main the papers have been concerned with the accuracy of the data we collect as such, and with the relationships between titles. These are obviously important issues to the publishers, because they relate to moving advertising money between titles, but the relevance and importance of much of this work to the advertisers is fairly limited. In contrast, the over-exposure table, by proposing that the 5th+ exposures to the same creative treatment is worth only 10% of the first exposure raises an issue which is of considerable significance to advertisers.

A 10-fold variation in the return generated by a company's investment in print advertising is likely to be far more significant to them than many of the issues we discuss. Moving money at the margin between titles is a matter of life or death to the publishers involved, but it could well make very little difference to the marketplace performance of the schedule.

While discussing the over-exposure issue a second aspect of the work needs to be considered, at least in passing. At the moment, and to the best of my knowledge, all scheduling models assume that readership events are independent of each other, but a moment's reflection will demonstrate that this assumption is not justified. The reading events arising because 2 or 3 magazines have been bought for a train journey will clearly be linked, while equally the occasional purchases of several television programme papers are like to take place in different weeks.

Up to now the unjustified assumption of the independence of reading events has not been important, but if there is a need to plan a schedule per creative treatment then we should be aware of the nature and importance of the linkage between titles. Hopefully it will be discovered that apart from a limited selection of them we will be able to go on ignoring this issue.

Tracking studies

If a tracking study ignores the long tail of reading events generated by a magazines it is clear that it will be under-valuing the cost-effectiveness of the campaign. For example, if a magazine campaign costing £100,000 was being tracked and if it was

assumed all impacts took place within 2 to 3 weeks of the end of the advertising appearing, the achievements of the campaign would be assumed to have cost £100,000. However, if only 80% of the reading events generated by the campaign had actually taken place within the time frame of the research, a very likely proportion, the true cost-effectiveness of it would be 25% greater than the study was suggesting.

This is bad news for all magazine publishers. Bad news also for all advertisers and agencies trying to evaluate the effectiveness of the different media. They will be basing their judgements on misleading data.

The over-exposure finding also casts doubt on the wisdom of ignoring the creative aspects of media advertising. Overwhelmingly tracking studies adopt such a strategy, largely because they argue that in broad terms creativity cannot be quantified so that it can be taken into account. True, but not entirely so. Though this policy makes life simple for the researchers, and probably has enabled them to run a service at a price which clients were prepared to pay, it is now clear that this simplifying assumption is likely to be doing print specifically, and the industry generally, a disservice.

Many tracking studies imply that it is possible to evaluate the media element without any regard to way in which the media are being used and without any indication of the range of performance revealed. By so doing the researchers are ensuring that all media are judged on an average basis - but which agency or advertiser would accept that they were creating and planning for an average campaign?

If the aim is to make a contribution to media strategy decisions the Millward Brown findings with respect to the importance of over-exposure make it clear that this can only be done if the number of creative treatments employed per campaign is built into the evaluation process. If this is not done, and if, as seems likely, most magazine campaigns do not use enough creative treatments it is inevitable that the potential power of the magazine medium will be under-valued. The tracking study will have failed to alert advertisers and agencies to the power they are missing.

In the words of Nick Hiddleston, Head of Media Research, Universal McCann, London:

“Magazines don’t create over-exposure - bad planning does and for that there is no excuse”

Again bad news for magazine publishers, and again bad news for all advertisers and agencies trying to improve the return on their media advertising.

While considering the need to enhance the value of tracking studies in this way there is a second quantitative aspect of media advertising which is relevant. Namely the ability of a creative treatment to communicate the name of the brand being advertised. Such an evaluation could not be built into the tracking study as such, but a relatively small-scale side study could be undertaken and if all tracked campaigns were graded high, average and low on this dimension it would add considerably to our ability to interpret the results. To paraphrase Nick Hiddleston:

“Media don’t create poor brand name communication, bad creative work does, and for that there is no excuse”.

Broader Implications

Refining the over-exposure concept

While I accept that print ads do experience a fairly rapid fade-away in effectiveness due to over-exposure, I would also like to argue that there is much more work to be done in this area. Take Table 1 showing the fade-away rate, for example. This table is based on computer modelling of the relationship between print advertising pressure and the market response, as indicated by advertising awareness. Now computer modelling is by no means a precise science, as any modeller will accept, while the relationship between advertising awareness and the measure which really interests most advertisers, namely sales, is inadequately understood.

Likewise, we have little or no knowledge currently as to how the fade-away rate might vary by the nature of the creative treatment, by the time interval between exposures or by the position of the reader in the target market. Do buyers, being more familiar with a brand, respond better to a greater variety of treatments?

This could easily grow to be a demanding agenda for further research, but there is no doubt that a start needs to be made. Take, for example, the Kenco case history. This was a very well-designed study with an excellent result for magazines, but it included one aspect which has not received the attention it deserves. The number of creative treatments employed was increased from 4 to 6, because of the over-exposure finding, but this had the effect of increasing the agency costs, which they did not like. Bearing in mind this increase in agency costs it is imperative to ask if the increased performance of the campaign was large enough to justify this added expense? True, according to the Millward Brown formula the increase in the number of creative treatments increased the campaign efficiency index by 35%, but what did this actually mean in sales terms? No one knows.

As a new planning consideration this is not surprising, but what is disappointing is the lack of pressure on IPC or Millward Brown to develop their thinking. Some agencies have asked for elaboration, but no one has yet seen it as an opportunity to make their name by demonstrating their expertise in using print. Partly this is probably a reflection of the conservatism of our industry, rated by Martin Sorrell as probably the most conservative profession with whom our clients operate - more so than lawyers,

investment bankers or management consultants (7), but mainly I think it is a direct consequence of the way the commission system operates. As I will argue.

Given the need to provide more knowledge on over-exposure how can the task be tackled? In the first place let me state that I believe that it is wholly and solely the responsibility of the publishers to initiate the work. I am talking about building a better starter-kit of knowledge, relating to a fundamental aspect of advertising in print and intended to aid agencies improve their print planning. The publishers cannot do any work on their own, since the necessary experimental must be carried out on real brands, and the tests must be planned with the assistance of both agencies and advertisers, but there are better opportunities for doing the work now than ever in the past. Furthermore, it need not be too expensive for individual publishers or publisher associations if it were to be planned and executed on an international basis. After all, if print ads experience a fade-away in effectiveness due to over-exposure, and if this phenomenon arises because of the ability of readers to control how long they spend with an ad this is a universal characteristic of print advertising; independent of language, race or culture.

With the research resources available today such work is quite feasible. One possibility would be to use a design developed from a study into effective frequency in magazines conducted by Time Magazine and J.Seagram & Sons in the early 1980's. (6)

Print ad pre-testing

If print ads fade away in effectiveness relatively quickly it is clear that the objective of any print ad pre-testing research should be identify a creative strategy which lends itself to a family of treatments, rather than a single best ad. Likewise if the evidence points to multi-media advertising, any pre-testing work should ensure that the cross-media integration of the different creative work is properly covered.

Multi-media planning

The Kenco case history is only one of many pieces of research which demonstrate that a mix of magazines and television produces better results than the use of television on its own, while a recent study from Germany using Nielsen data (7) has found in favour of a mix of all the 4 media which they studied - print, television, radio and posters. In the UK similar work by Nielsen published in March 1996 (8) came to the same conclusion. Such results are well in line with the current thinking behind the idea of integrated marketing communications, although even those who argue most strongly for such integration seem blind to the idea that integrated media communications should come first.

Again this partly this comes down to the commission system, but partly because the whole structure and traditions of the media industry are unhelpful to the concept to media integration. Take this series of Readership Research Symposia, for example. In recent years there has been some limited reference to the demands of multi-media planning, but it would not be possible to describe it as a core issue.

As far as publishers are concerned, and bearing in mind the continuing domination of television-only advertising, it would benefit them if they were to make it easier for agencies to plan across media, especially linking print with television. I suggest that for the next Print Symposium this should be a top issue. Or why not think of a Multi-media Planning Symposium?

The extent to which the industry current thinks of the media in individual boxes can also be illustrated by looking at the structure of a UK media planning training programme which has just recently been held. It is a well-respected programme run by a well respected organisation, but apart from the initial session which is concerned with the principles of media planning each session is devoted to an individual medium, largely because each medium is prepared to supply a speaker. So at the end of the course the students would have gained a better idea of planning within a medium, but little or no knowledge of planning across media.

The commission system

Elsewhere (9) I have developed the proposition, based on Ad Track and other research data, that as a pricing strategy the commission system has been a marketing disaster for magazine publishers, while it also has had significant negative side effects for advertisers. Let me explain, by reference in the first place to the over-exposure finding and the Kenco case history. At the end of the day the agency were required to increase the number of creative treatments for the campaign by 50%, up from 4 to 6. This will have cost money, not with respect to the production costs recovered from the advertiser but in terms of the additional work in the creative department and the additional management time in planning and reaching agreement with the client. For these reasons, and under the commission system, agency profits will fall. So the agency is not keen on the new insight and given a chance will tend to ignore it.

Likewise shortsighted publishers are likely to fear a possible reduction in the space budget because of the increase in production costs and consequently have tended to hope that the issue will go away.

However, given successes like the Kenco story, and the confidence in the performance of their medium generated by other work, and it could be relatively easy to overcome any publishers' shortsightedness. In contrast, the hidden influence of the commission is far more difficult to counter. It operates not just with respect to the number of creative treatments employed, but also against multi-media campaigns. Think of the implications of this quote from no less a source than the 1987 Annual Report of the WPP Group:

“In the 1960’s and 70’s the Pavlovian response of advertising agencies to an advertising problem was to spend more money on television. Partly because they believed it to be the cheapest and most effective way to address the problem, and partly because it was the most profitable form of advertising for the agency”.

This quote highlights probably the most significant implication of the research we are considering. Namely the extent to which there is now strong evidence which points in the direction of media strategies which could well lower agency profitability if their income is governed by some variant of the commission system. This is not only against the interests of the advertisers and most media owners apart from television, but it is also likely to operate against the interests of the agencies themselves.

It will become increasingly difficult for agencies to sell their ability to proffer clients marketing advice when a major component of the payment system under which many operate places them in the invidious position of a conflict of interests between their media strategy recommendations and their profitability.

Agencies are as entitled to make a good profit as their clients and the media owners, but the time has come for the commission system to be replaced by payment arrangements between advertiser and agency which avoids this conflict, both in theory and practice. The media owners should welcome such a development. They should not seek to force the issue, but rather to ensure that it is openly discussed.

References

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