

STANDING UP TO BE COUNTED: MEASURED EFFECTS OF MAGAZINE ADVERTISING

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Abstract

This paper outlines a key study which has been commissioned from Taylor Nelson AGB by IPC Magazines in the UK. The study has the objective of making the print medium more accountable. The structure of the paper is:

1. Introduction
2. The importance of the advertising objective - the test of the success of a campaign must be related back to the advertiser's objective
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 - 3.2. Methodology for identifying groups likely to have been exposed to a specific campaign
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 - 3.6. Case Study: Persil Washing-Up Liquid - showing how the interplay of advertising and multi-buy offers complicates analysis
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4. Summary - MASE has demonstrated the ability of print advertising to drive sales

1. Introduction

In San Francisco in 1993, Dick Dodson of Telmar Communications concluded the Symposium by throwing out a challenge to the print industry. He suggested that, if the print industry expected to reverse the decline in its advertising revenue, it must invest more in tracking research which fairly evaluates the effectiveness of the medium. More importantly, he urged the industry to ensure that "such data are used in day to day print planning".

The purpose of this paper is to outline a key project, MASE (Magazine Advertising Sales Effectiveness) which has been commissioned from Taylor Nelson AGB by IPC Magazines in the UK. The project has the objectives of:

- a) making the magazine medium more accountable for its results
- b) ensuring that the learnings can be shared and applied in practice across the ad industry.

I will discuss not only the findings of MASE, but also the difficulties which we have encountered along the way.

2. The importance of the advertising objective

Before embarking on the detail, a word of warning. As the print industry becomes more sophisticated in its approach to the issue of accountability, it is important not to be tempted to use an inappropriate measure of "effectiveness". The test of the success of a campaign must always relate back to the objective of the advertising - what was the advertising intended to achieve? This paper outlines how campaigns can currently be tracked against the measure of sales uplifts. The results shown must always be interpreted against the backcloth of the advertising's goal and be understood accordingly.

3. Driving sales by advertising in print

In this decade of accountability, the contribution of advertising to the bottom line is coming under greater scrutiny. Inevitably the question is raised - "are those people who see the advertising actually buying the advertised brand?".

The arrival of hand-held scanners used by household panels has meant that almost instantaneous read outs can be provided showing the impact of promotions. This data has underpinned the diversion of funds from advertising to price-cutting promotion

which has been noticeable in the last decade, especially in the US. IPC Magazines decided to work with Taylor Nelson AGB to develop a method whereby such scanning data could be used to demonstrate the effectiveness of print advertising.

3.1. MASE - Magazine Advertising Sales Effectiveness project

The objective is to examine the impact of magazine advertising on sales, specifically for fast moving consumer goods. Single-source data is drawn upon, collected via AGB's Superpanel. Superpanel is a continuous panel consisting of 10,000 UK households whose members record all their packaged groceries, fresh foods and toiletries purchases using a key-pad and bar-code reader in the home. AGB Superpanel data is a recognised currency amongst advertisers for analysing brand and retailer sales trends. The same household panellists record their media consumption habits by way of a self-completion questionnaire. The MediaSpan questionnaire is issued to all panel members twice yearly and covers four main media: TV, press, radio and cinema. There are currently approximately 100 magazines covered on the survey. If a respondent has read a magazine in the past year, they are asked how frequently - almost always (at least three out of four issues), quite often (at least one out of four issues), or occasionally (less than one out of four issues).

3.2. Identifying exposure groups

So we have access to the purchasing records and media consumption habits of the same set of housewives. The next step is to calculate the likelihood of exposure to a given campaign for each housewife. The campaign is broken down into the number of insertions in each magazine used. Each housewife's frequency of reading each magazine is identified. An exposure score is then allocated for each insertion in each magazine for each housewife as follows:

<i>Frequency of reading</i>	<i>Likelihood of exposure score</i>
Almost always	0.8
Quite often	0.3
Only occasionally	0.15
Not in the past year	0

A total exposure score is calculated for each housewife. The scores are ranked and divided into quintiles. Here is a hypothetical example of the likely exposure levels for one housewife.

<i>Magazine</i>	<i>No. of insertions</i>	<i>Frequency</i>	<i>Exposure score</i>
Woman	1	Almost always	0.8 (0.8 x 1)
Woman's Own	2	Quite often	0.6 (0.3 x 2)
Woman's Weekly	3	Occasionally	0.45 (0.15 x 3)
Total exposure score			1.85

The next step is to compare the buying behaviour of Superpanel housewives who are heavily exposed to a given campaign with that of those lightly or not at all exposed.

3.3. Tracking purchasing amongst exposed and unexposed groups

The brand volume share of market is tracked before, during and after the campaign. The measure of brand volume share is used to iron out movements in the market due to seasonality, or the growth or decline of a market. Average price and multi-buys (2+ purchasing) are also tracked to flag up promotional activity in addition to print advertising.

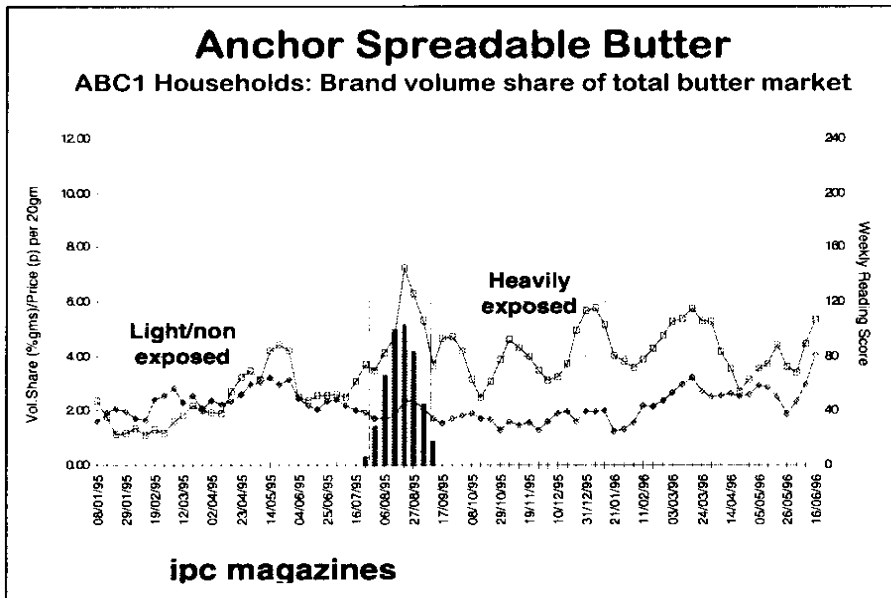


3.4 Case Study - Anchor Spreadable Butter

Here is an example. Anchor Foods had a print campaign introducing the relatively new spreadable butter variant in the summer of 1995. The advertising objective was to sell units quickly in advance of an imminent pack redesign. In addition, the campaign was intended to encourage new purchasers to try the brand and to develop their loyalty to Anchor Spreadable butter. The magazine schedule consisted of Women's and TV weeklies; advertisements also appeared in national newspapers.

Fig. 1 shows the brand volume share of the exposed group and the unexposed group, before during and after the insertions appeared. The bars represent campaign weight in those weeks.

Fig. 1. Brand volume share: exposed -v- unexposed groups



In Fig. 2, the average price per 20 grammes is added to the chart. A price decrease in mid-May, prior to the advertising, results in an uplift in purchasing for both groups, with the exposed group responding more.

Fig. 2. Showing average price-point

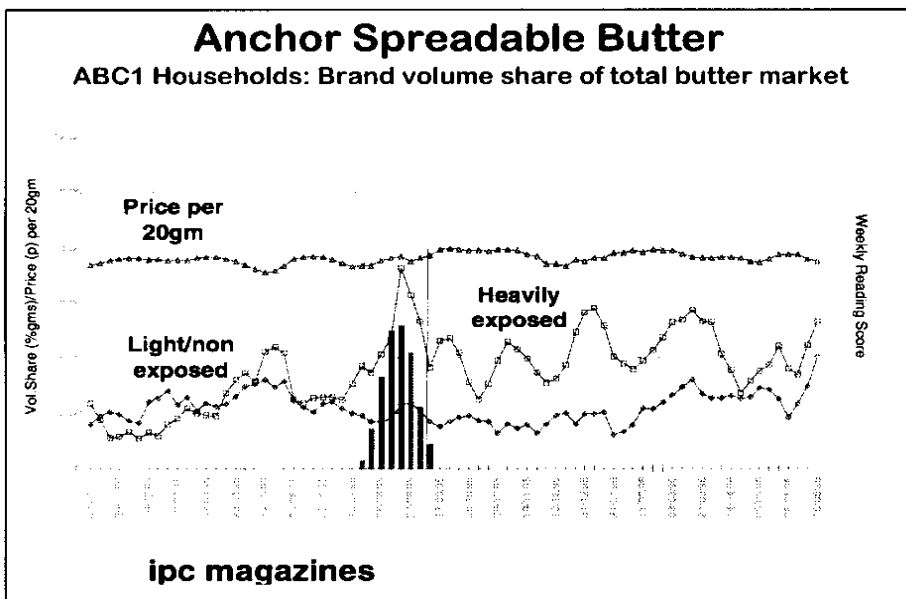
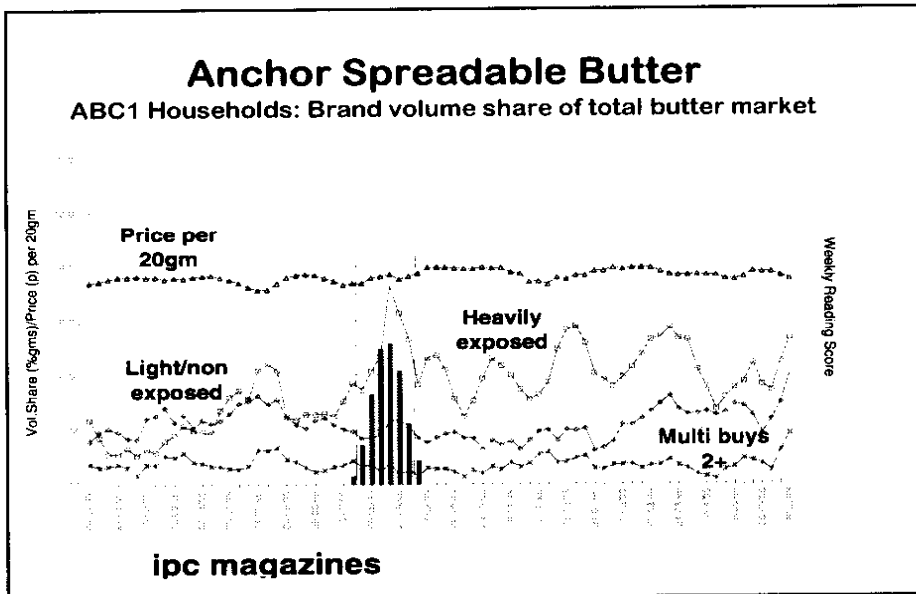


Fig. 3 also includes the information pertaining to multi-buys (showing the proportion of 2+ units bought on a single purchase occasion).

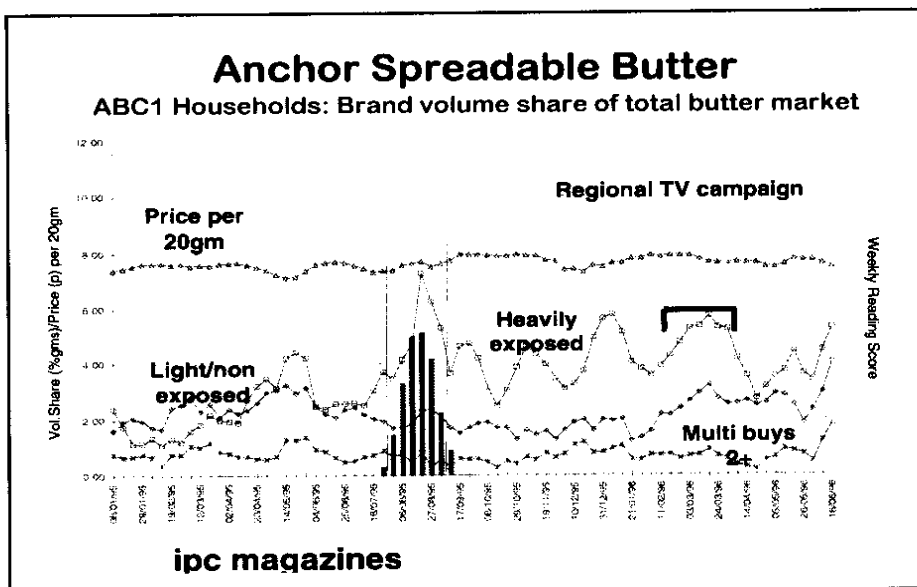
Fig. 3. Showing proportion of 2+ purchases



An uplift in multi-buys co-incides with the price-cut promotion. This pattern suggests that the price promotion stimulated purchases to be brought forward, altering the normal purchase cycle for the brand. On the far right of Fig. 3, an uplift in multi-buys accompanied by an increase in purchasing amongst both the exposed and unexposed groups, suggests that a special offer was in place.

As can be seen in Fig. 4., in February 1996, both groups again increase their brand share, and this time it was due to a low-level regional TV campaign.

Fig. 4. Showing impact of regional TV campaign



The data are examined in terms of the differential seen between the behaviour of the exposed and unexposed groups. The price promotions, multi-buys and TV activity have an impact on both groups. It is only the exposure to the print campaign which distinguishes the two groups.

In the six weeks following the advertising, Anchor Spreadable butter had increased its volume brand share by 31% relative to its average brand share prior to the advertising. The improved performance was sustained. By 24 weeks it can be quantified as being worth an additional £735,000 or an extra 200 tonnes of butter. It is significant that the Anchor example demonstrates both an immediate and long term result, supporting the belief that "the long term is not instead of the short term"¹.

Further analysis shows that those responding to the advertising were younger and more likely to be upmarket. More importantly, they were historically light-buyers of the butter market (perhaps favouring other types of spread) and were disloyal buyers, in other words brand-switchers. This suggests that the campaign brought new buyers into the brand, rather than just encouraging current users to buy more heavily. Anchor's objectives were met. Product was shifted in the short term and new buyers became loyal to the brand in the medium term.

To summarise the story for Anchor Spreadable butter, Taylor Nelson AGB say:

There is a clear short-term response to the print advertising, plus evidence of strong long term impact, up to a year after the campaign. The advertising seems to have introduced the brand to a significant number of new users, many of whom have stayed with the brand.

The campaign was efficient as well as effective. The ratio of incremental sales to cost of campaign was favourable. Anchor, who historically have not used magazines, are now committed to the medium.

The Anchor Spreadable butter example provides a clear case history. The objective was to drive sales - and that the campaign was successful in fulfilling the advertising's goal is beyond doubt. However, it is not always so easy.

3.5. Difficulties encountered when isolating the contribution of print advertising to sales success

3.5.i. Mixed media campaigns

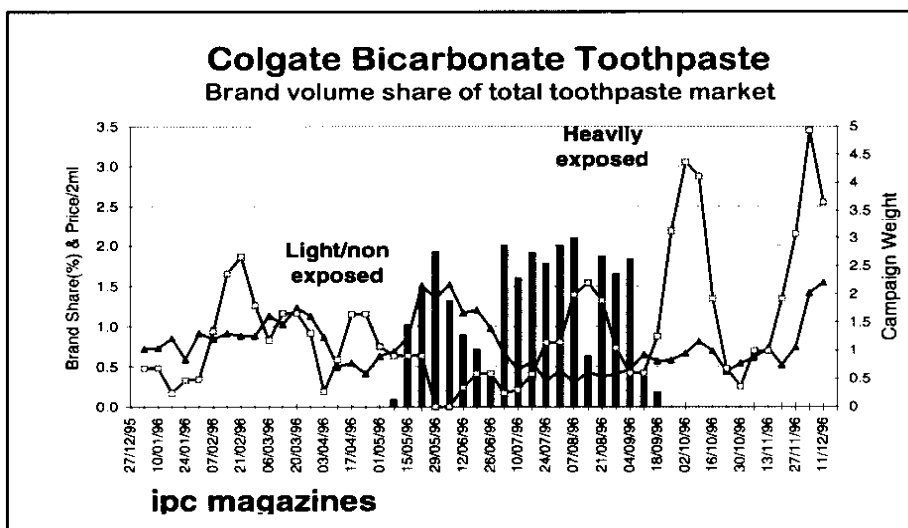
When other media activity is present, our current methodology does not cater for different levels of TV exposure amongst the exposed and unexposed groups. Are the heavy magazine readers also heavier TV viewers?

3.5.ii. Volatility of purchase records for magazine-only brands

In the second phase of the study, IPC and AGB felt that one way to avoid such confusion would be to focus on brands which had only advertised in print. Price-promotions and multi-buy offers would remain an issue, but at least the impact of, say, TV advertising would be removed from the mix. The difficulty we encountered now seems self-evident with hindsight. Those fmccg brands which choose to advertise only in magazines are likely to do so because of being smaller brands with smaller ad budgets.

Smaller brands mean fewer purchasing records amongst the household panellists and an increased volatility in the data. For example, Colgate advertised its brand variant, Bicarbonate of Soda toothpaste, in young women's magazines. With a volume brand share of approximately 0.5%, changes in purchase levels were likely to bring about violent swings in brand share (see Fig.5.). It is likely that the advertising did have a positive impact upon the exposed group. However, the data are not sufficiently stable to make any firm conclusions.

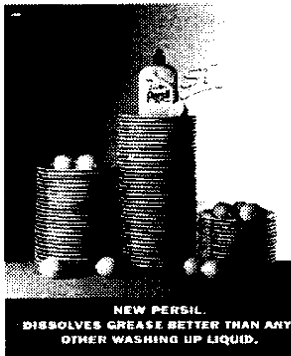
Fig 6. Colgate Bicarbonate of Soda - volatility of data when examining smaller brands



¹ Simon Broadbent: ADMAP Monitoring Advertising Performance Seminar 1996 (London)

3.5.iii. Varying responses to promotional offers

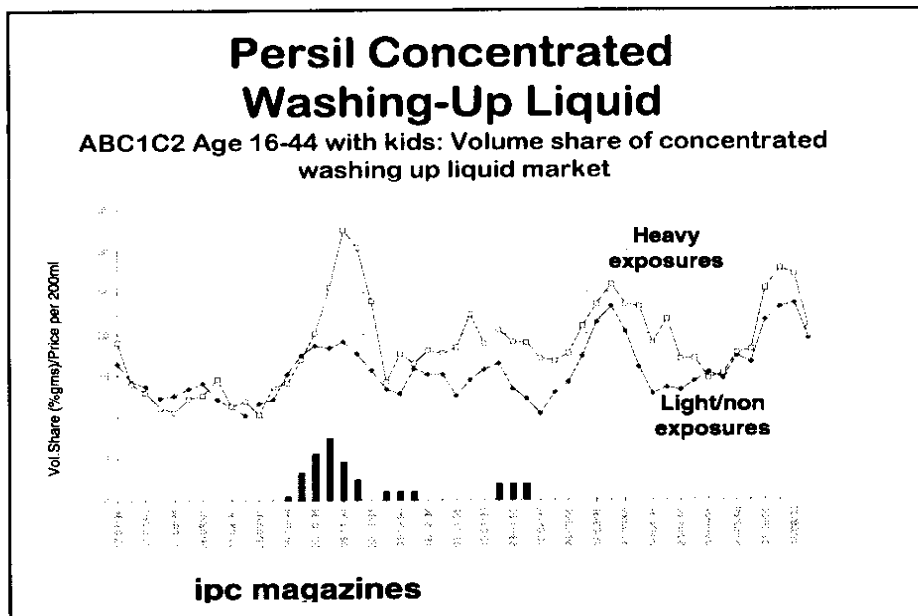
A third problem which we have faced relates to promotional offers. To illustrate this I will use the case history of Persil Washing Up Liquid.



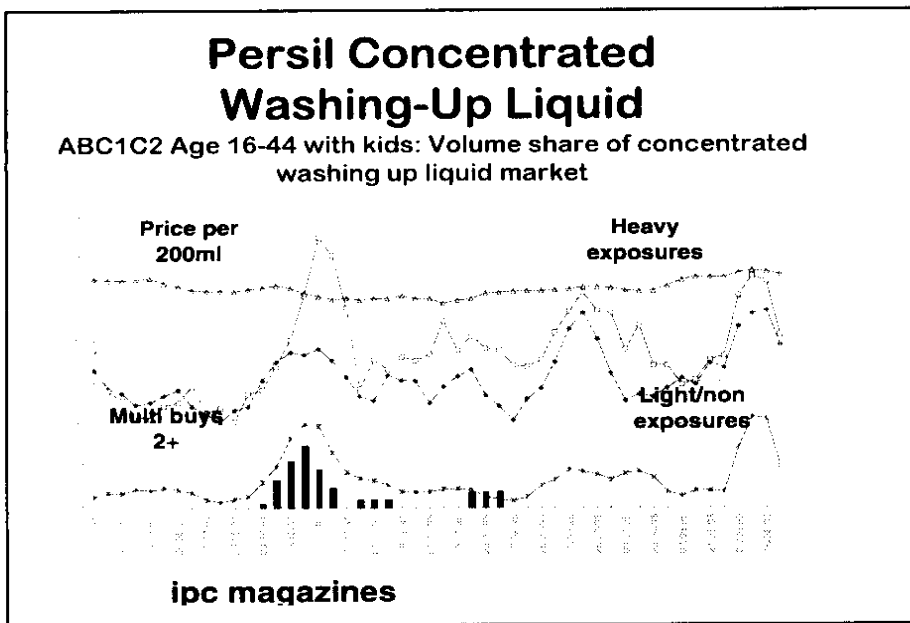
3.6. Case Study - Persil Washing-Up Liquid

Initially looking at the tracked purchases of the exposed versus unexposed groups, the contribution of the magazine advertising seems to be clear

Fig. 6. Brand volume share: exposed -v- unexposed groups



Price was relatively stable across the whole period, but add in the multi-buy data (Fig. 7.) and the interpretation changes. Both groups are clearly responding in the short term to a multi-buy at the time when the advertising breaks. The exposed group responds far more dramatically - which is undoubtedly a function of the interplay of their exposure to the magazine campaign with the multi-buy offer. But how much can be attributed to magazines?

Fig. 7. Showing average price-point and proportion of 2+ purchases

On the far right of Fig. 7., there is a multi-buy offer again and again the exposed group outperforms the unexposed in their level of response to it. Is the target group more responsive to promotional offers? - or is the legacy of the brand positioning campaign coming into play? Perhaps the exposed group buys more in response to the multi-buy offer because they have been alerted in advance to the proposition that Persil Washing-Up Liquid has superior properties for dissolving grease. It is hard to say with conviction.

3.7. Matched sampling

In order to address some of these issues, Taylor Nelson AGB have suggested to IPC Magazines that a matched sampling technique should be introduced. This route would allow us to establish a set of individuals who collectively behave in a similar way in a market - showing similar purchase cycles, response to price promotions etc. This set would then be sub-divided into exposed and unexposed groups enabling us to get even closer to a comparison of like with like.

This project is still evolving, and I would like to invite anyone who has encountered similar difficulties and found solutions to share their experience with us.

3.8. Success rates

It is difficult to provide a success/failure ratio for the brands which we have tested to date. Some brands, particularly long-established ones, are in a position where the purpose of the advertising is to maintain the status quo, to prevent decline. The results for other brands may be obfuscated thanks to promotions and competitor activity. As a guide, we have found that in one third of cases there is a story of sales success to relate, which can be linked back to the print advertising with confidence. For one third we believe that there may be a story, but cannot isolate the effect clearly (and we hope that the matched sampling technique will address this). For the remaining third there appears to be no sales success amongst the exposed group. Why? The answer could range from being down to creative, planning, targeting, media - or indeed the advertising objective, spoiler activity from competitors, the product failing to deliver the promise - the list is potentially endless. Yet a failure to succeed against a sales measure does not preclude success against other measures such as awareness and imagery.

4. Summary

The findings of MASE show that magazine advertising can shift product both in the short and medium term. Judith Passingham, TNAGB's Director of Superpanel has said: "TNAGB's work so far clearly demonstrates the ability of magazine advertising to drive sales". The longer term results which we have seen support the theory that consumers may not be persuaded by advertising at the moment when they are exposed to it. Rather the ad is recalled at time of purchase - when reader becomes shopper.

Advertisers, agencies and media owners alike have a shared goal - to demonstrate that advertising works. With regard to print, it is necessary to understand the role for print advertising and its contribution to building brand equity. We hope that MASE will be the first of many projects and that sales measures become a standard industry tool for ensuring that the print medium becomes accountable. By demonstrating what print really can do for a brand, the print industry can deservedly fight for its fair share, or indeed its unfair share, of advertising revenue.

