

ADVERTISING-ADVERTEASING-ADVERTIRING?

What sort of ROI can you expect from Print Advertising – unless your ad performs?

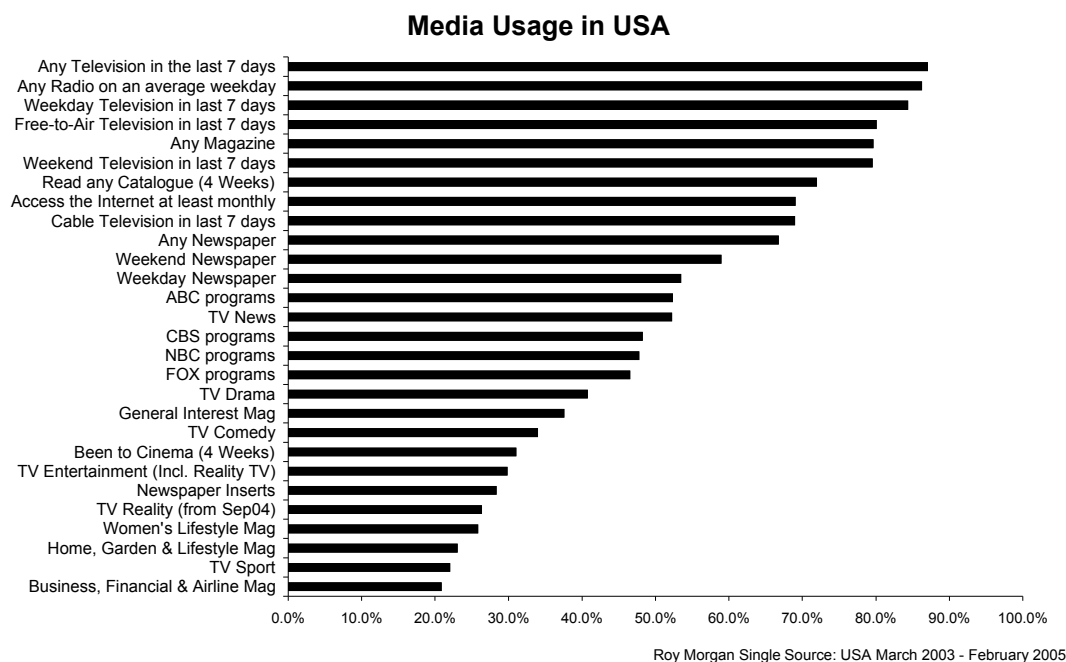
**Howard Seccombe, Michele Levine, Gary Morgan, Angela Brooks and Marcus Tarrant,
Roy Morgan International**

In order to determine how to create an effective advertising campaign decision makers in the industry use a range of measures to try to predict the outcome of the campaign. Those who make decisions each year about where to place billions of dollars in advertising have focussed in the past primarily on audience or 'opportunity-to-see' measures – the task being to create the chance that the target audience will see the advertisement with the assumption that everything else will run its course.

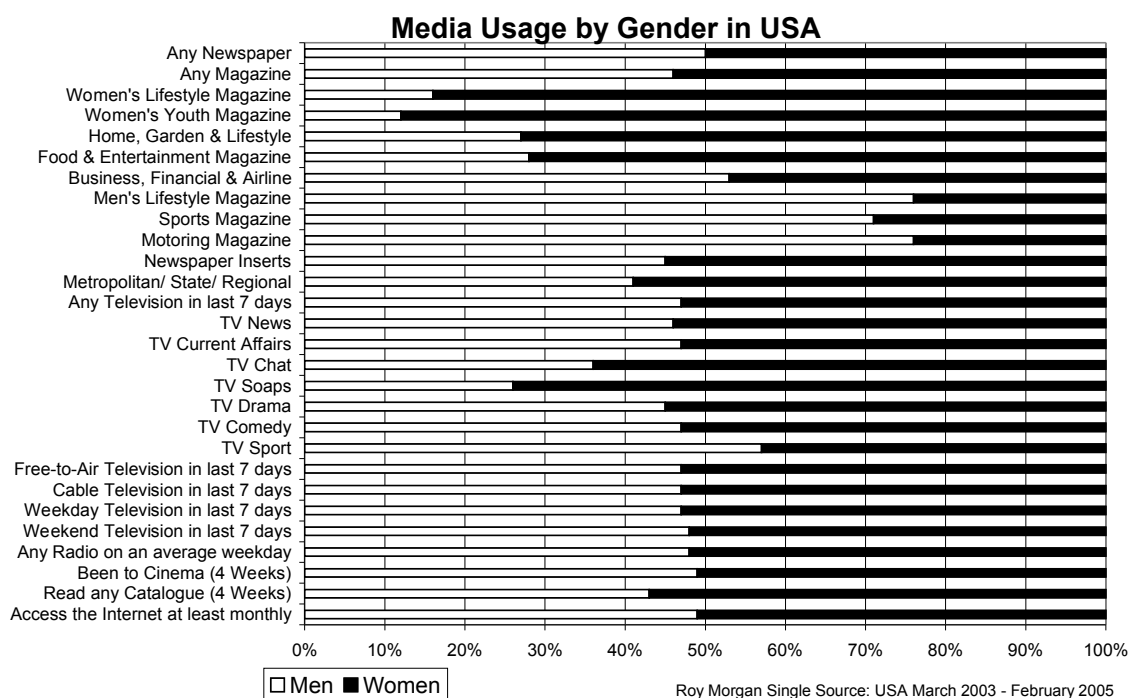
Audience reach measures have been used to determine how many people see the advertising and how often. Measurement systems exist across the globe that determine how many people in total read certain magazines and newspapers, watch TV programs, listen to radio stations, etc.

At Roy Morgan International we have been measuring newspaper and magazine readership since the early 1970s, and television viewing and radio listening since the 1980s in Australia, and for the last decade in countries outside of Australia including New Zealand, United States of America, United Kingdom and more recently Indonesia. The estimates accurately measure the relativities between different print media – newspapers, newspaper inserted magazines and magazines as well as between other media – TV, radio, Internet, direct mail, etc. All Roy Morgan magazine readership measures are validated against the 'gold standard' through-the-book specific issue method.

In the US, Roy Morgan Single Source shows that television is still the most widely used medium. However, magazines, as a group, reach as many people as 'free to air' TV, and more people than newspapers or the Internet. Of course, specific magazines or genres of magazines often outperform specific television 'shows'.

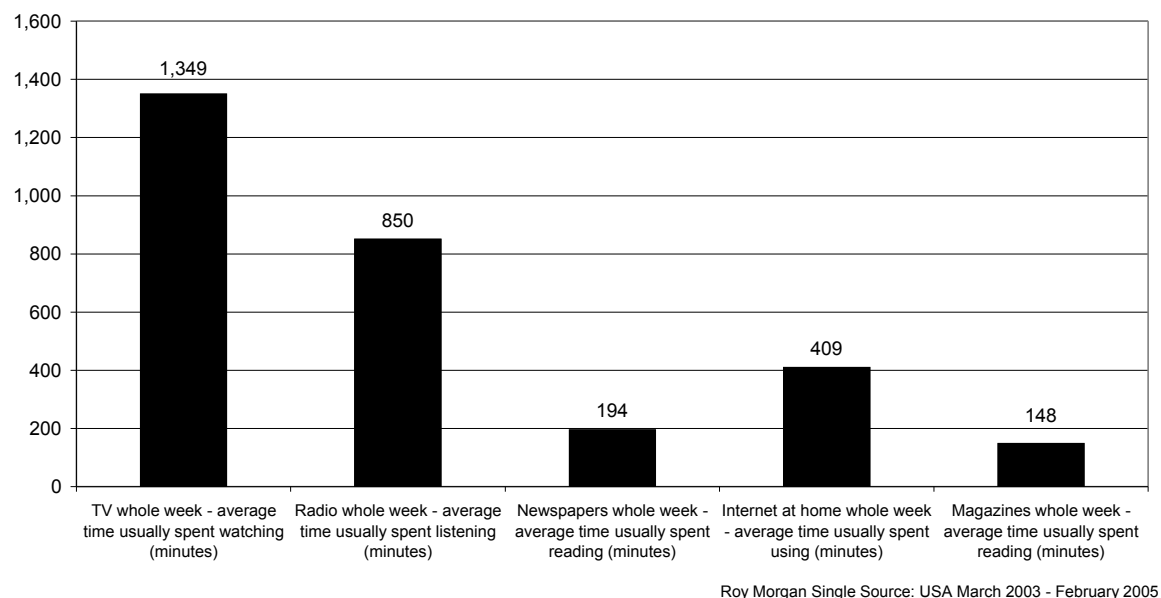


So the proposition is advertisers need to know their audience. And it is not enough to just know how many people are in that audience. Basic demographic analysis of consumers' different media habits show different media appeal to different target groups.



Thanks to detailed surveys and computer software, finite targeting of the audience for each medium can be identified for each advertising campaign. In addition to the basic metric of 'reach-and-frequency' additional measures, eg 'amount of time spent' with the different media, help provide insight into how effective different media is in reaching that audience. (Reference 1. – M. Levine, G. Morgan, M. Tarrant, N. Hepenstall, and W. Burlace, 2003.)

Time Spent Per Week with Media



In terms of 'time spent' with the various media, television 'outstrips' print easily. However, when it comes to advertising, print – especially magazines – has an additional qualitative benefit – readers value the ads.

Contrary to what is sometimes said advertising is actually seen by readers as a valuable part of the print medium. So print has an important feature that television will never have – **people actually read newspapers and magazines for the advertisements**. This is definitely not a reason for watching television!

A survey in the US by Mapes and Ross (Roy Morgan International's advertising testing division) on advertising effectiveness shows clearly this finding when respondents are asked if a reason for reading magazines is the advertisements:

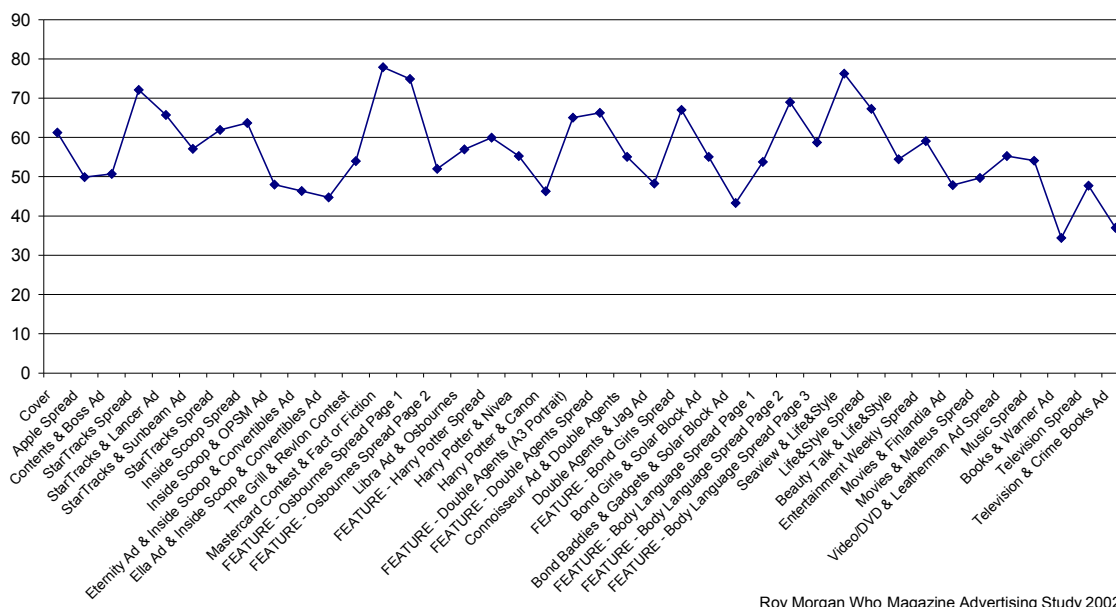
	Yes	No
Is one of the reasons you read magazines for the advertisements?	50%	50%
Is one of the reasons you watch television for the commercials?	13%	87%

Source: Mapes and Ross Advertising Survey Result

In addition, surveys with the Roy Morgan 'Reactor' have found that **environment also plays a role in the performance of an advertisement**. In a study of 'Who'¹ magazine, readers were shown a video flip through of a specific 'Who' magazine. Immediate reactions to the content which contained editorial and advertising were taken using the 'Reactor' handheld dials.

The 'Reactor' chart below shows 'Who' readers felt only slightly less positively about 'Who' pages with advertisements on them than those with no ads, ie, the difference was not large. The average score per page for the magazine was 56.6 while the average score for pages with advertisements was 51.8.

Reactor Chart for Who Magazine



Roy Morgan Who Magazine Advertising Study 2002

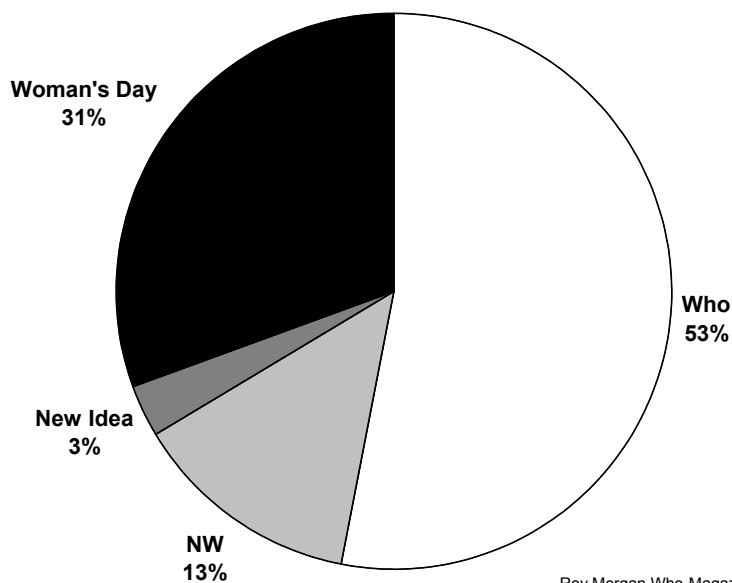
It appears that once the response to the 'Who' magazine had been established it had a kind of 'halo' effect over advertising that appeared within it. Additional evidence for this came from comparing the same ad in 'Who' and another magazine (a title in the same genre) and finding a higher score in the ad in 'Who' than the *competitive magazine* (Reference 1).

There is also an issue of fit. **People certainly expect to see certain types of advertising in different environments**. An advertising alignment test was also conducted as part of the 'Who' Study where respondents were asked to select which one of four magazines was most appropriate for a list of advertisement types.

Using their handheld 'Reactor' dials, readers were asked to view an advertisement and to select which one of four magazines they thought would be appropriate for that advertisement. While readers said a Toyota Corolla 'car' advertisement was appropriate to be seen in 'Who' they did not expect to see advertising for 'psychic services' in 'Who'.

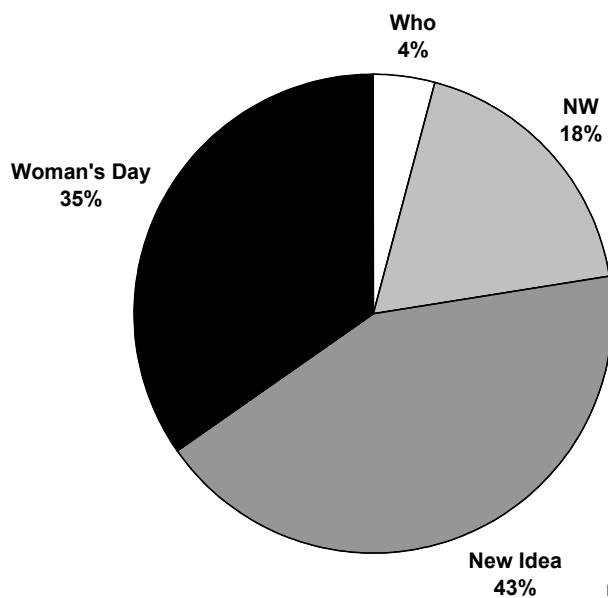
¹ In the US 'People'.

In which magazine would you expect to see advertising for a Toyota Corolla?



Roy Morgan Who Magazine Advertising Study 2002

In which magazine would you expect to see 'psychic services' advertising?



Roy Morgan Who Magazine Advertising Study 2002

However **all advertising is not equally effective** and of course it is not just the medium which will lead to effective advertising. Equally important in the equation is the effect of the creative itself.

Mapes and Ross, situated in Princeton, USA, has been testing advertising effectiveness for over three decades. The unique Mapes and Ross *Natural Exposure*SM method is able to determine advertising effectiveness at various levels. The test involves a pre/post interview where the respondent is exposed to the advertising in the most natural setting available, usually within a respondent's own home. A unique line of questioning determines the respondent's brand preferences without mentioning brand names. The change in 'brand preference' from before to after exposure to the advertising determines the level of persuasion that the advertisement has on respondents. **This 'brand preference' change has been proven to be reflective of actual sales.**

An analysis of the 8,000 print advertisements tested by Mapes and Ross shows a significant difference between high performing advertisements and low performing advertisements. The top 25% performing advertisements in print are nearly two and a half times as effective in terms of 'brand preference' change and one and a half times as effective in terms of proven 'recall' as an average print advertisement. These advertisers are getting two and half times the value from their media spend as the advertisers who have average performing advertisements. In fact those advertisers with low performing advertisements are actually getting little or no return from the cost of their media spend every time they advertise.

Independent validation studies in the US market have shown that people who are found to be persuaded under this test are three times more likely to buy a product within two weeks than those who are not. Recall measures are also recorded for each advertisement tested in the post survey. The impact and lasting impression of the advertisement is determined by surveying responses in the post survey a 'day-after' exposure. Over 33,000 advertisements have been tested in television, print and radio. All the results have been collected in a database enabling an examination of trends.

Performance of 'high' and 'low' advertisements

	Brand Preference Change Index*	Proven Recall Index*
<i>Top Quartile – Average</i>	230	159
<i>3rd Quartile – Average</i>	116	112
<i>2nd Quartile – Average</i>	62	84
<i>Low Quartile – Average</i>	-3	50

* Relative to the average = 100

Source: Mapes and Ross Advertising Norm Results

Advertisers need to know how their advertisement performs compared to other advertisements and how their advertisement can perform better. An advertiser needs to maximise the effect of the advertisement 'creative' so the ad gets its maximum impact from the media spend.

The underlying philosophy of the Mapes and Ross *Natural Exposure*SM method is that it relates to the real world.

As people go through each day, they receive thousands of stimuli. Advertising messages are a part of this influx. Instantaneous decisions are made regarding what should be retained and what can be ignored.

The Mapes and Ross 'day-after' method of *Natural Exposure*SM enables an advertiser to determine the extent to which the ad message has been successful in getting through to people, creating a lasting impression, delivering the message, influencing people's thoughts and impressions, and in persuading people to the brand. Mapes and Ross results consistently reveal that huge differences in effectiveness exist between advertisements.

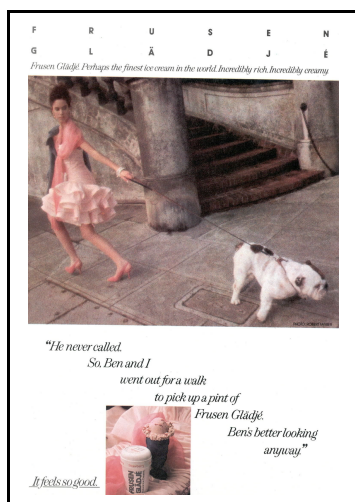
The research shows that the **main ad visual** is the single most important element of a print ad. Visuals which 'tell the story' are more effective than ads where the visual is misleading or indirect. Advertisers can often determine if a print ad will be effective if, in the development stage, they look at the main visual, ignoring other ad elements such as the detailed copy, and ask two questions:

- What is the advertised category?
- What is the advertiser trying to tell me about it?

Many print ads derive strength from having the visual and headline work together. Ads are more effective when the headline interprets and reinforces the story told by the visual. Additionally, headlines are more effective when they are specific and direct, state a benefit and do not engage in complicated 'wordplay'.

For example, below are two magazine ads for brands of ice cream. By looking at the illustration of each ad separately, how well could a person answer what product is being advertised in each case, and what the advertiser is trying to tell customers about the product?

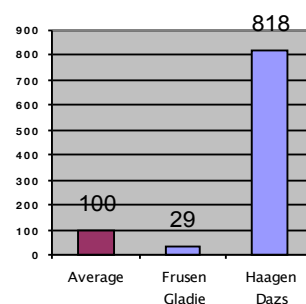
Frusen Gladje



Haagen-Dazs



Ad ROI



In terms of persuasion performance, if an average ad returns \$100,000, the Frusen Gladje ad on the left returns \$29,000 while the Haagen-Dazs ad on the right returns \$818,000 – an AD ROI² of 818. The same Ad ROI performance metrics are obtained when we survey TV and radio commercials. In addition, this approach can be used to test the effectiveness of Product Placements in TV programs (vs. traditional TV advertising).

In the ads below for Roman Meal bread, neither the headline nor the illustration work hard to communicate brand benefits in the ad which appears on the left. By contrast, in the ad on the right, the main visual works harder while the headline delivers a specific benefit in a rewarding manner. In terms of persuasion performance, if the ad on the left returns \$100,000, the ad on the right returns \$258,000.

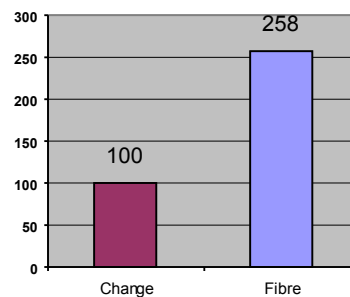
Change



Fiber



Ad ROI



² Relative to the average Day-after-Persuasion

Let us look at another example:

In the motor oil ads below, a comparatively specific benefit in the headline of the ad on the left builds upon the high quality image in the main illustration to present a persuasive image to readers. The promotional orientation of the ad on the right fails to present a product-related reason to buy Pennzoil in either the visual or the headline. As a consequence the ad features the Jeep identity almost as strongly as Pennzoil.

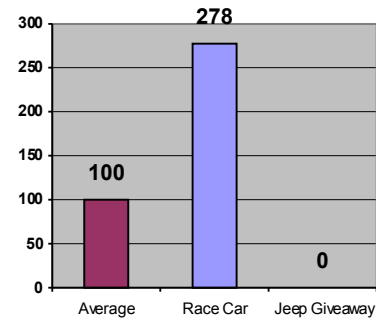
Pennzoil 'Race Car'



Pennzoil 'Jeep Giveaway'



Ad ROI



In this case an investment of \$100,000 in media costs for the Race Car ad would return \$278,000 whereas a \$100,000 investment in the Jeep Giveaway ad would return nothing in terms of creating a lasting impression of the brand.

The Media Versus Creative Question

An examination of some trends from the normative Mapes and Ross database is most revealing. First, there is little difference in average ‘recall’ scores between print and television. The proven ‘recall’ norm for over 8,000 print tests on 1.2 million people is 20.1%, while the norm for 25,000 television tests is 22.1%.

On the other hand there is a large difference in the scores for 'brand preference' change between television and print. The average 'brand preference' change score for television is 8.1% and for print it is 2.0%. That is only 2.0% of those people exposed to an advertisement in print were likely to have changed their preference to the brand that was advertised. But this does not tell the whole story. This 2.0% score is the representative average of print ads measured today. It does not reflect the potential of print as a medium to deliver very strong results - good print advertising can outperform TV advertising.

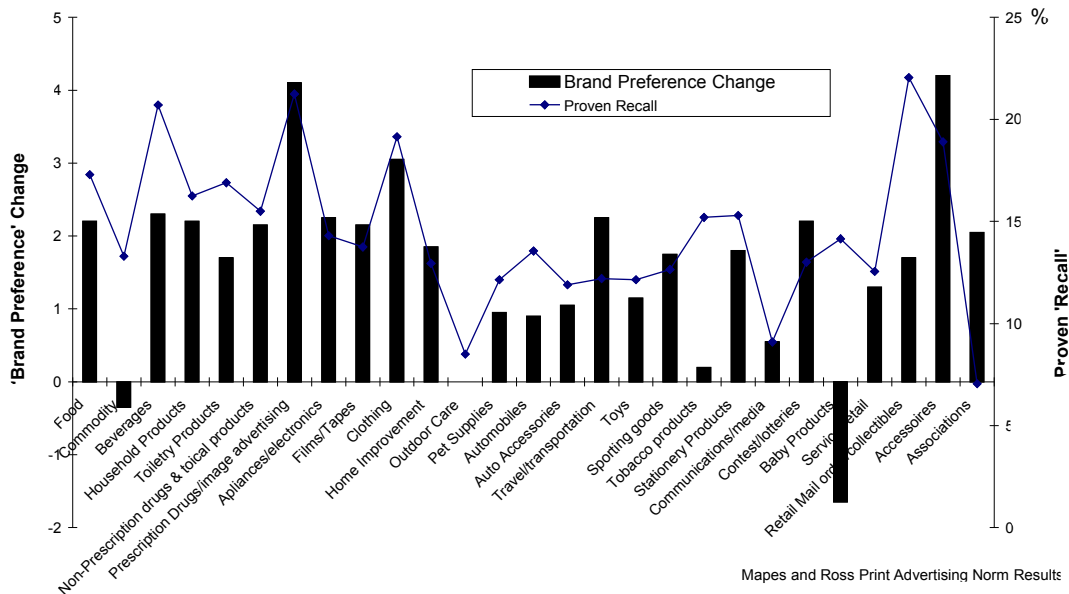
However today, given the general poor quality of print advertising, the Mapes and Ross normative database shows that only 6% of print advertisements score higher than the average score for television. Both publishers and advertisers need to get their agencies to focus more on making print ads work harder.

The product category makes a difference to performance. Recall levels across twenty-seven categories vary significantly in both print media and television media. For a single page magazine advertisement the variation in 'recall' across all category norms ranges from a low of 7.1% to a high of 22.1%.

The variation in average 'brand preference' change is also quite large, ranging from -1.7% to 3.1%.

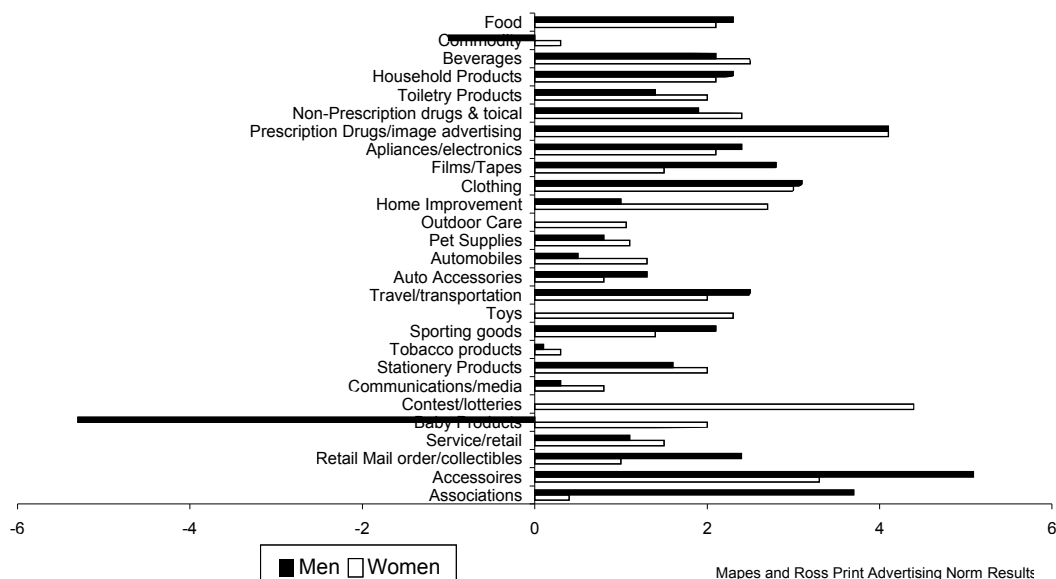
'Recall' and 'persuasion' (as measured by 'brand preference' change) are not necessarily related. Some categories (for example 'mail order') will have high 'recall' scores but low 'brand preference' change scores.

Print Advertising Measures by Category



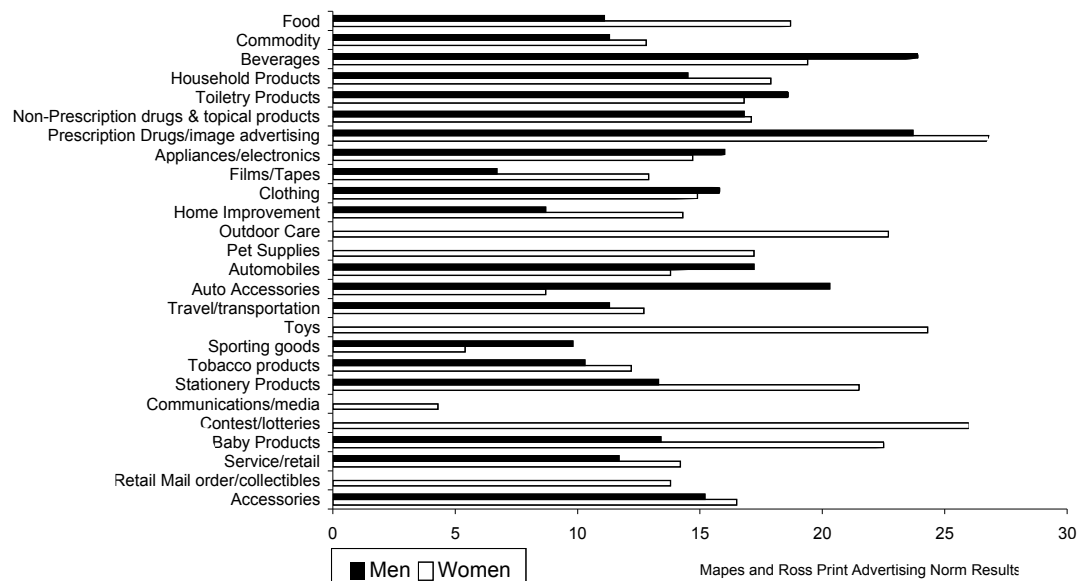
Target audiences make a difference to performance. The difference in scores for both 'brand preference' and 'recall' vary depending on the target group. Normative scores for 'brand preference' show many differences when analysed by gender. For example, 'sporting goods' ads obtain an average 'brand preference' change of 2.3 for men but only 1.4 for women; while for 'home improvement' ads, the average 'brand preference' change was 2.7 for women but only 1.0 for men.

'Brand Preference' Change Scores by Category - Males vs Females



Proven 'recall' scores show similar trends as 'brand preference' changes. For example, food advertisements tend to have higher 'recall' scores for women but beverage advertisements have higher 'recall' scores for men than women.

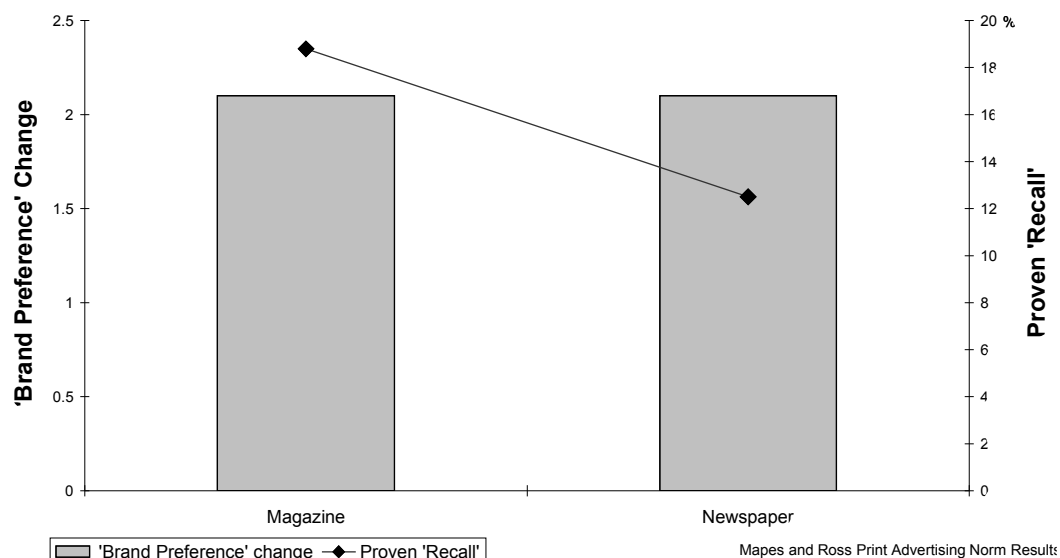
Proven 'Recall' by Category - Males vs Females



'Recall' versus 'Brand Preference' in Magazines versus Newspapers.

For women³, magazine advertisements obtain a better average 'recall' score than newspaper advertisements; however there is no difference between newspaper and magazine average 'brand preference' change scores.

Comparison of Newspaper and Magazine Effectiveness Scores



³ Complete comparative data is available only for women at this stage.

So which is more important in print advertising? The creative or the medium? Certainly you can't have an effective campaign without considering both parts. The more you can understand who you are talking to, where you talk to them and how you will talk to your audience, the better the result in the market will be. There will be less wastage of expenditure on the wrong media and just as importantly less wastage on communicating the wrong message. All round that has to be better for the role of advertising for the future.

So what?

Unfortunately there are too many advertising and marketing people who thrive in the belief that there are no rules to good advertising, or advertising rules, if any, are meant to be broken.

Advertising research shows clearly that the only rule which can achieve an extra return on today's high advertising cost of a new ad campaign is pre-testing and then post-testing – not to do so is just marketing arrogance. So there are four rules from this paper:

1. **Defining the target audience:** To successfully communicate a marketing campaign must focus sharply and directly at the key audience. Roy Morgan Single Source enables the marketing planner to both quantify and qualify their key audience, i.e. those people intending to use, purchase, visit etc. Such data enables the media planner to zoom in on the defined group, with creative execution that communicates the appropriate message. Bad marketing briefs produce bad ads.

2. **Selecting the appropriate media:** Good ads in the wrong medium are a waste of money – everyone knows a 'great' ad that's not seen by the target, does not work. For instance nothing can beat the power of print in communicating detail – and 'yes' in many instances it is the detail which gets the sale.

3. **Testing the message:** The Mapes and Ross *Natural ExposureSM* ad test method produces results that relate to what happens in real life – with data obtained from a true audience. In combination with the Roy Morgan 'Reactor', a second-by-second diagnostic tool, the information gathered shows how and where a specific ad communicates its message – overall and second-by-second.

Any other combination of advertising research is either inaccurate or inappropriate, or both. Disregarding or disbelieving results produced by using these criteria would be either heresy or folly, or both. After all, ads are for people to respond to, not to 'win awards' judged by peer groups of the creators.

4. **Measuring results:** Finally, while this paper has addressed the design and diagnostics of advertising, the real test lies in the results achieved – shifts in sales or shifts in attitude among the intended audience. Today all marketing and advertising people are judged by the overall performance of their company, each quarter of every year.

In many product categories we have evidence of Intentions versus Actual Sales, and we measure marketing performance within a defined target group, ie what is intended actually happens – without such benchmarks there is no point advertising.

Research and information is not a substitute for ingenuity. But ignoring intelligent and reliable research and information altogether is a luxury nobody can afford!

References:

1. M.Levine, G.Morgan, M.Tarrant, N.Hepenstall, W.Burlace. "Reading: looking into...logging onto", Presented at the Worldwide Readership Research Symposium, Cambridge, Massachusetts, USA, October 26-29, 2003.
2. M. Levine. "Convergence – Making Sense Of The New Landscape", Presented at the Australian Marketing Institute 'Marketing Week 2005', Adelaide, Australia, August 23-26, 2005.