

USING RESEARCH TO DEVELOP A BETTER MESSAGE: WHAT MATTERS MOST

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Ernest Rutherford, who among other things discovered the atomic nucleus and was a Nobel Prize winner in chemistry, offered this explanation for the preeminence of British science at the time: "We haven't much money so we've got to use our brains." Increasingly, it seems that this deceptively modest observation can tell us a lot about how we should approach advertising and research.

By now we've all heard John Wanamaker's complaint that half of his advertising was wasted, only he didn't know which half. But what you may not know is that John Wanamaker was an optimist; actually 96% of advertising can be thought of as wasted. Even if we do as good a job as our toughest competitor in managing our internal constituencies, in extolling the agency to produce good creative, and in selecting a media plan that makes sense in today's hurley-burley world, we face the difficult fact that 90% of our audience won't remember seeing our message one day after being exposed to it and 60% of those will be no more favorably disposed towards our product or company than they were before they saw the ad.

The harshness of this competitive reality anchors any discussion of what matters most in copy research. We do not have the luxury of managing our advertising by trial and error. The pressure to reduce waste, leverage limited resources and improve quality lead four-square to business-to-business advertising and the value of research. The opportunity for improved decisionmaking, the more productive allocation of limited advertising resources with greater confidence and effect, and the ability to challenge conventional thinking to overcome blind spots, while important, are all secondary to the economic value that a solid research program contributes to the advertising investment. Research is our most important

tool for improving the quality of our advertising messages, and advertising quality is the most important item we control for enhancing the value of our contribution to the business.

Copy researchers have long shown that individual ads and commercials differ in effectiveness at levels of differences of 5:1 or more (sometimes up to 20:1). That is, competitors in the same product category spend the same amount of money to produce and run advertising that differs by a factor of 5 or more in its ability to gain attention and affect attitudes towards the brand.

More recently, scanner-based data in the consumer package goods area have shown that copy quality alone can drive sales incrementally and in some cases be more important than media weight. In addition, a number of copy test measures have been validated as being correlated with actual sales results. The Advertising Research Foundation's (ARF) Copy Research Validity Project, a \$750,000 study based on 15,000 interviews, found under tightly controlled experimental conditions that advertising campaigns, differing only as to the content and execution of the individual commercials (weight, flighting, and vehicles held constant), produced sales differences from 8-41% (see Chart 1). And copy testing measures could discriminate which of the commercials were the strongest with up to 93% accuracy.

Today's demand for more effective advertising and the new validation of research measures reinforce the two reasons to research copy: (1) to evaluate how well advertising fulfills its role; and (2) to help identify and improve the form it should take. Thus the most difficult questions we face are how do we measure the contribution that advertising makes in a business-to-business setting, and then, how do we improve the odds that our advertising efforts will be successful along those dimensions.

How communications research can best fulfill its roles is in a dynamic state today. Although our overall concerns are in cutting through the clutter and being noticed, communicating intended messages, and having a positive effect upon the audience (the so-called Hierarchy of Effects model), there have been significant improvements in understanding the complexity of the advertising process and how an ad or commercial influences attitudes about the brand or company.

The roughly 30-year debate between Recall and Persuasion has normalized itself somewhat through improved understanding of the strengths (and weaknesses) of each measure. Recall gives us a sense of the stopping power of an ad, as well as its ability to link the ad's message with the brand name. We want to make sure that when a viewer watches a commercial, he or she clearly knows who the sponsor is and that the path for retrieving the stored evaluation of the message is well connected with the advertiser's name. Persuasion gives us a sense of the commercial's ability to affect attitudes, usually in increasing buying interest in the product, and is generally thought to be independent of recall.

Additionally, a variety of new copy research measures have been shown to also be predictive of a commercial's sales effectiveness. The Advertising Research Foundation study showed Commercial Liking, along with other diagnostic questions, to be important copy test measures in established packaged-goods advertising (see Chart 2). (An index of 300 means that the measure was 3 times as likely as chance alone to select the most sales effective commercial.) Also of note is the strength of the recall measure and the absence of pre/post purchase intent from the list. Not shown on the chart is that combinations of measures are more predictive than any single measure taken alone. For example, using Recall and Commercial Liking together produces an index of 466, predicting 93% of the cases correctly.

Most important are new ways of thinking about the attitudinal consequences of advertising. In addition to our own empirical work and the ARF Copy Research Validity Project, there has been a considerable amount of recent academic work suggesting that the thoughts that an ad or commercial elicits (beyond the copy points it communicates) influence the attitudes that a person holds about the brand or company. To conceptualize this, we've developed our Advertising Response Model (ARM), which offers the following view of how advertising works (see Model 1):

- Processing of an ad/commercial can occur along either of two paths: the Central or the Peripheral route. During central processing, product and/or brand-related information is focused on; during peripheral processing, ad/commercial-related issues are more dominant.

- Central processing leads to brand rating/brand attitude which, in turn, leads to buying interest. Attitudes formed or changed as a result of central processing are apt to be more permanent and resistant to change.
- Peripheral processing leads to Commercial Liking or attitude towards commercial, which in turn influences brand rating as well as buying interest. Attitudes formed or changed as a result of peripheral processing tend to be more temporary in nature, and may be lost as the peripheral cues influencing the attitudes cease to be present.
- Especially in the context of business-to-business advertising, where thoughtful decisions about products or services need to be made, central route processing may be preferable. However, simultaneous processing along central and peripheral routes often occurs.

The Advertising Response Model (ARM) gives us a way to better think about and, in turn, research how an ad influences attitudes and increases interest in buying the brand. As important as Recall and Persuasion are, when augmented by other measures of advertising effect that are particular to the objectives of the advertising, we are better able to assess both its informative and affective dimensions and, when necessary, understand the factors that influence performance. As shown in the following examples, by fitting ARM to individual copy test results, we better understand the dynamics of the advertising and learn things that would have been masked in a traditional Hierarchy of Effects analysis.

The first example involves a recent analysis of two corporate commercials for a large manufacturer. The commercials are both executionally similar and emotionally involving, with one focused on the contribution the company was making to improving the economy and the other on improvements to our country's educational systems. Performance was substantially different between the two in Recall and Persuasion among both a general audience and a subgroup of opinion leaders. More to the point are differences in the cognitive consequences of the commercials.

In the “Education” commercial (see Model 2) which performed at norm on the traditional measures, central processing directly and indirectly led to overall company rating (which is what we would like to see). The components of the commercial lead to a positive image, which lead to positive commercial reaction, and then overall rating. Thus both the central and peripheral routes were active.

The “Economy” commercial (see Model 3) performed below norm. Although central processing enhanced company image, company image was not found to directly or indirectly influence overall company rating. In fact, the message-related issues influenced overall company rating, suggesting that the more the commercial was believed, the lower was the company rating. At a minimum, this shows confusion and lack in clarity in the dynamics of the commercial. The only positive effect in the commercial came from its peripheral elements, obviously something the company did not intend.

The second example involves a print ad for a large office equipment company. The ad introduced a new “Hotline” that customers could call at no charge whenever they had a question or problem with the product. The ad performed at norm in Recall and Persuasion among a sample of people who make or influence the company’s decision to purchase in the category.

By modeling the data, we uncovered an unexpected relationship about how the commercial worked (see Model 4). Processing of the ad is very centrally routed; the ad causes people to think about the product/service rather than its executional elements. The ad increases interest in seeking more information about the service by helping the company distinguish itself from others and by delivering a believable and relevant message. For some people, that increased interest was enough to influence their purchase interest; for others it led to a willingness to use the “Hotline” without influencing purchase intent. Thus the ad can be additionally successful, if using the service leads customers to an enhanced sense of product value over time.

One generalized comment about what modeling tells us about business-to-business advertising is also in order. Commercial liking, which was found by the ARF to be the best producer of a commercial's sales effectiveness in established package goods advertising, is an important measure in business-to-business advertising, as is Overall Brand Rating, which was the strongest of the ARF persuasion measures. Sometimes Commercial Liking is more important than Brand Rating in influencing purchase intent; other times, how a person rates the brand influences whether he or she likes the commercial. Modeling can help us understand the particular communication dynamic of the ad/commercial and which content and executional factors drive performance.

The new developments in copy research that we've looked at today will help to make our advertising more effective and, thus, a more productive marketing investment. Let's summarize what matters most:

1. New measures of copy effectiveness, many with actual sales validation, give richer, more precise performance detail;
2. Improved analytic techniques, such as modeling, reveal new insights into how ads and commercials really perform; and
3. A more complete understanding of how advertising itself works or doesn't work helps us communicate more effectively and persuasively with those who rely on the advertising we provide and who approve the resource allocations we need.

As Richard Costello of General Electric has told us, research provides the evidence that supports a sound and sustainable advertising program and should be an integral part of every advertising budget.

CHART 1

ARF COPY RESEARCH VALIDITY PROJECT

Key Findings

- ***Copy Quality produces sales difference of 8-41%***
 - ***Copy Testing can separate the strongest and weakest commercials 93% of the time***
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CHART 2

ARF COPY RESEARCH VALIDITY PROJECT

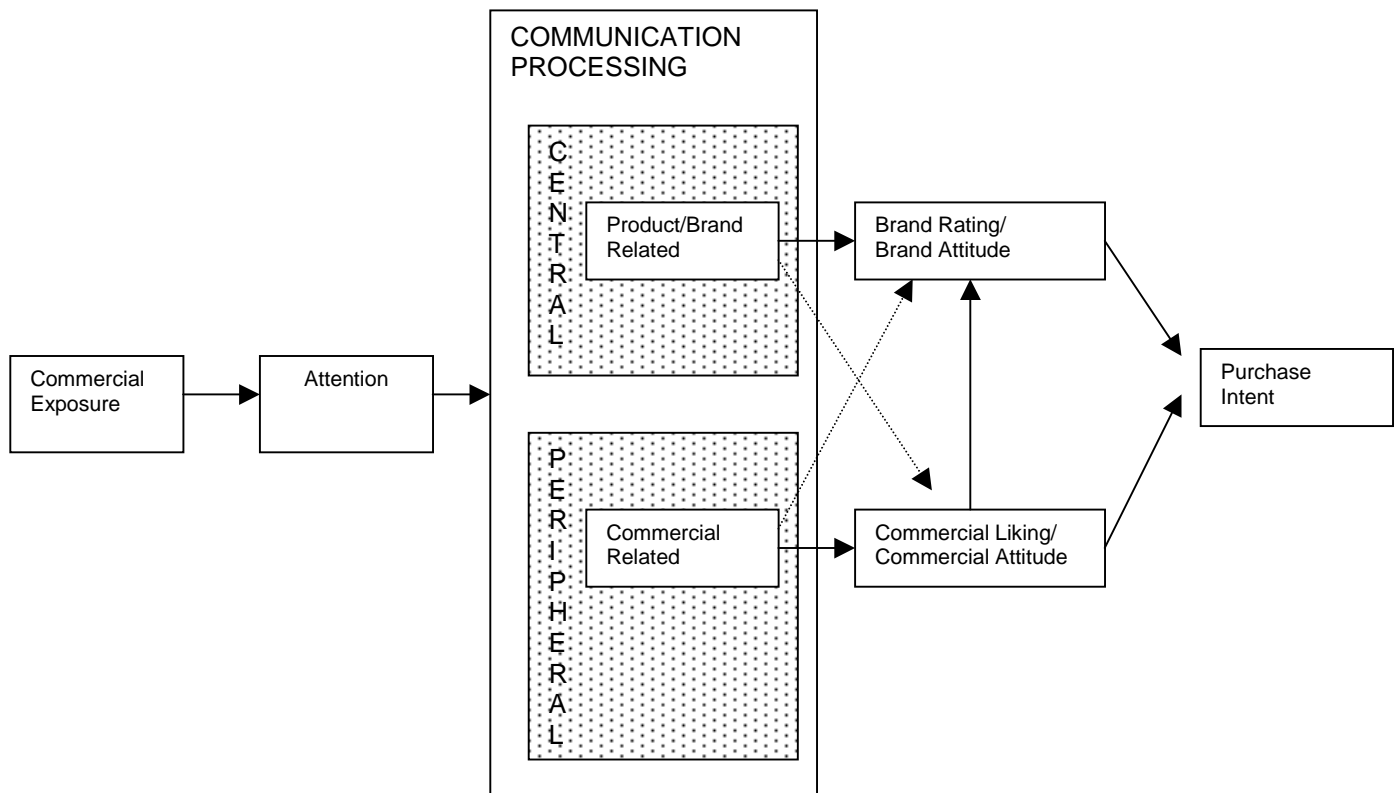
Highest Sales Predicting Measures

	<u>Predictive Index*</u>
<i>Commercial Liking</i>	300
<i>Recall</i>	234
<i>Commercial Reaction/ Diagnostics</i>	234
<i>Main Point Communication</i>	188
<i>Brand Rating</i>	184

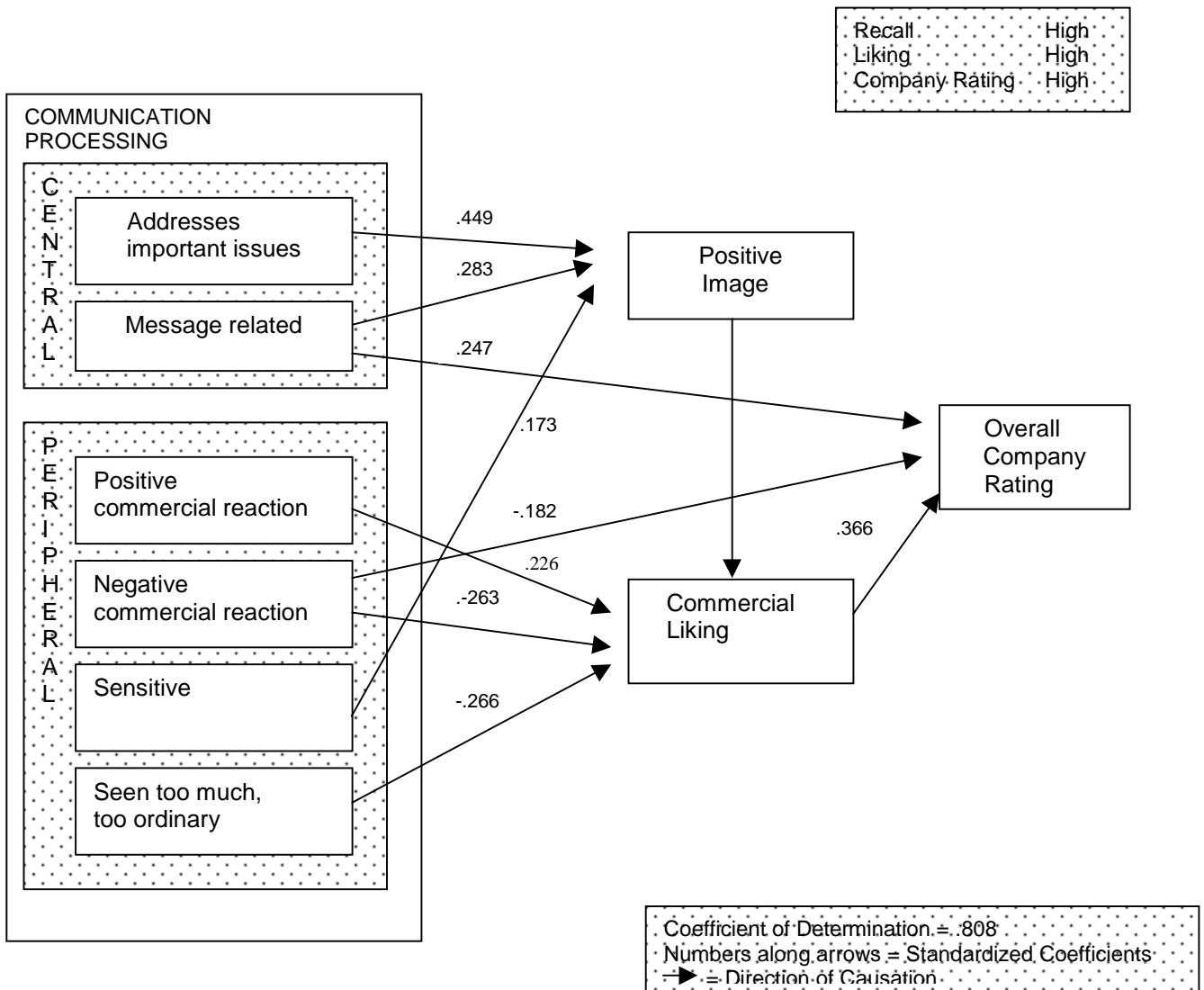
****100 = No Sales Predictability (random)***

Model 1

Advertising Response Model (ARM) Gallup & Robinson, Inc.

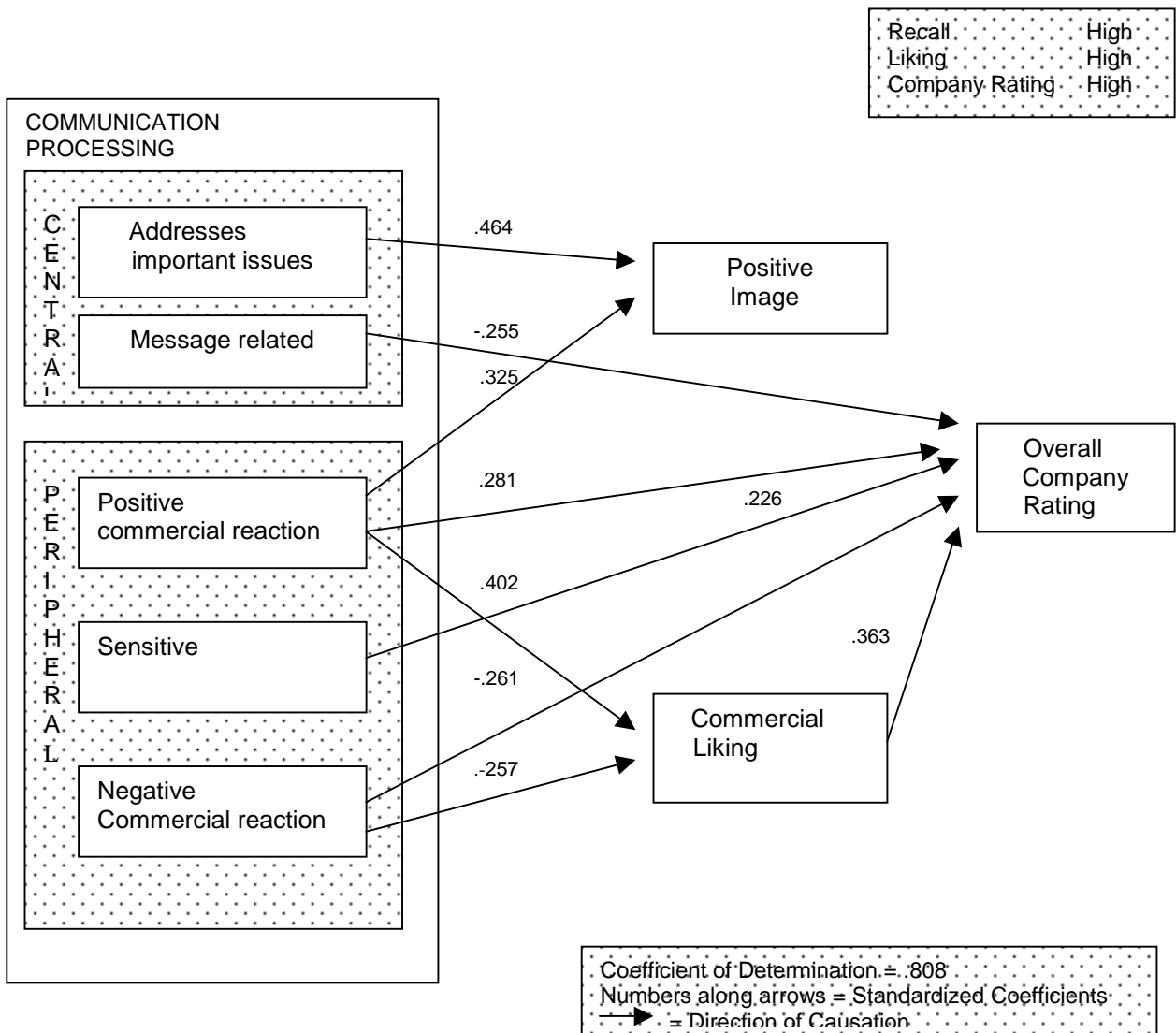


“EDUCATION”
Advertising Response Model (ARM)
Gallup & Robinson, Inc.

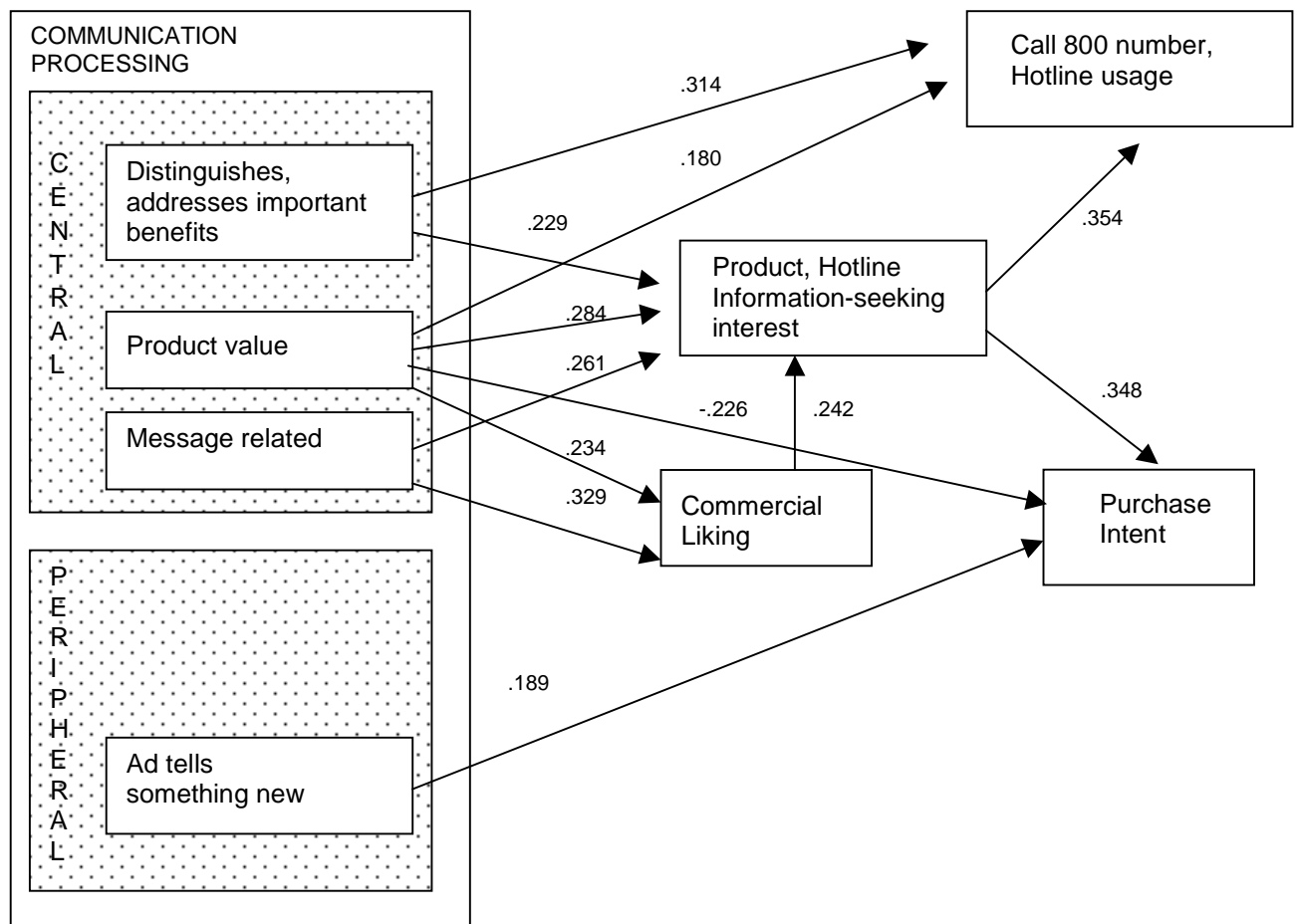


Model 3

“ECONOMY” Advertising Response Model (ARM) Gallup & Robinson, Inc.



'HOTLINE'
Advertising Response Model (ARM)
Gallup & Robinson, Inc.



Coefficient of Determination = .808
Numbers along arrows = Standardized Coefficients
→ = Direction of Causation