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THE MULTIPLIER EFFECT - PERFECTION VERSUS
MARKETABLE DIRECTION - IS THERE A CHOICE?

Thank you for again inviting me to participate in this Worldwide Readership Symposium. It provides Colgate and myself with the opportunity to be quickly and effectively brought up-to-date on print research. I stress the importance of this because generally much of this learned knowledge is not communicated to us either by the media or our agencies.

As I prepared the first draft in late November, not one 1991 media plan that I saw referred to this series of studies. This was further tested when we negotiated with the seven sisters -- not one of the sales representatives were aware of the U.S. research, let alone the work in Europe. Therefore it is difficult to assess the research given, either it's "top-secret", or "non-event classification".

Staying with the United States, in 1990 we saw our total print allocation go from over fourteen million dollars at the time of annual plan approval to under four million for 1990 actual. Why? Primarily because of very successful, fully tested television creative, the support went to television, coupled with non-delivery of proven print.

Because of our interest and commitment to multi-media mix, we have agreed that once we have a proven print advertisement, we'll participate in the MPA research. When? For one brand, we're now into mid 1991 at the earliest.

Last Fall we inquired about a standard testing technique for print that could be employed around the Colgate world. The response -- we do not have a technique for the U.S., or the world. I am now pleased to announce that we have a research task group working on this project.

It is against this dismal picture that unfortunately I must evaluate the multiplier effect research.

At the end of November we reviewed 58 U.S. magazine presentations to a very tight brief. Initially I thought that I would do some sort of tabulation for this presentation, but the evaluation was too depressing.

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Not too many magazines understood or could communicate their mission statement. Most of the content was generic, filled with no focus to a brand's target group or strategy. Many representatives had called to ask what sort of promotion - ideas did we want? There was a lack of initiative. Looking at the material reminded me of presentations from thirty years ago.

None mentioned how their audience, positioning and editorial thrust would work with our television base to maximize multi media synergy. Instead, we heard how their book was better than the competitive book. Why? Cannibalization with the added incentive to us of an increase in discount does not make business sense to me. Not one presentation proposed taking funds away from other media.

Let me combine some quotes from the Magazine Publishers of America write up with a suggestion for a presentation.

"The combination of print and television produces greater communication of brand attributes than print alone or television alone.

Magazines increase the competitive image scores of a brand, and magazines and TV used together, increase them even more.

The study corroborates the findings of other mixed media studies conducted in five other countries. The objectives of these studies were the same but the methodologies varied, each drawing on the previous learned experience.

For 1991 Colgate has indicated that our magazine could receive up to 6 pages for Colgate Dental Cream. We have analyzed your 1990 network television options and propose in addition the following:

We will place your advertisement opposite our health section so that your target consumers, when reading our topical health articles, will be in a receptive frame of mind for your oral care message and, on judgment, the association will enhance your communication. Six and one-half million of our readers buy Colgate each month. We propose, in addition to our assigned six pages, an additional three regional editions which will compensate for network underdelivery. This will be provided as an added value dimension, sold to you at the national target group cost per thousand."

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In previous discussions at this symposium, and again today, we question whether the realities of defending brand budgets, writing strategies, developing plans, and the seemingly insurmountable challenge of securing effective print creative are fully understood by media research practitioners.

What is the level of media competence and interest at the Advertiser and Agency?

Is the information presented in a user-friendly fashion?

Will your prospect fully understand the research techniques or will they use it as another reason to reject it? I can tell you that from comments I received in the U.S., the research in Europe was perceived as being less than satisfactory as it did not replicate the real world.

Do we really understand why magazines are not competing as effectively as they could or should versus television?

Will the multiplier effect research result in an increase in magazines' share of the communication budget?

Complex issues, but vital, I suggest to the print industry. I obviously have given considerable thought to these questions. Regretfully, I come away with a less than positive assessment from the initial acceptance of this print initiative.

To the issue of interest, media competence and user-friendly presentation, the lack of awareness sums it all up. To date it would seem to be a non-event. We contacted our Agencies in each source country. Let me share with you their replies.

"We do not do individual assessments of media research. This is done by an Agency Association. I am trying to get hold of their assessment."

"We haven't done any validation or reliability study. The survey has been accepted by the market because it is an old story ... and the figures are acceptable."

"No assessment has been done but the advertising trade press assures you that the study is valid and reliable."

"My apologies but we have not prepared a study on the report."

I feel that the research has not been given the prominence it should. Despite this, media mix is an inherent part of our brand plans. Incidentally, other media are in some places replacing print to complement or supplement TV.

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The magazine industry must, in my judgment, make this research an exclusive marketing tool. How will we maintain print's share in Scandinavia, Germany, or the U.K. against television deregulation without research such as this? It is so much easier, and significantly more profitable, to recommend more and more television. It is more rewarding for the creative individual to develop award winning TV commercials -- that's what builds their career -- not print. Television can be sold so easily.

In Europe, Agencies and Buying Services are frantically organizing to achieve buying clout, pitching for multi-country television buying assignments. That's where they see the future to be.

I sincerely regret the tone of this presentation. Colgate invests in my time and expenses to attend this conference. It is done because I can demonstrate, upon my return, the advantage to Colgate of this investment. I therefore find it most frustrating to find that much of the excellent work presented here is not effectively used.

On a more positive vein, as I visit each country - sixteen in the past twelve months, we demand serious evaluation of media mix and, as indicated earlier, refer frequently to the research initiatives in defining the synergy of print and television.

Upon returning to the United States the material presented on the subject will be provided as part of our media knowledge exchange program. It will also be included into our media training program for the Marketing Groups throughout the world.

Across the spectrum of magazines today one can select titles to reach very tight target group definition, lifestyle of our brand consumers right through to ultimate mass. Today magazines are truly an opportunity medium with real growth potential.

It is relatively easy to assure magazines a nominal percentage of the communication investment. Your challenge and mine is to make it between now and the next International Print Symposium a meaningful percentage. Some suggestions to achieve this:

- Change selling attitudes from securing increased pages from another magazine to increased share from national television.

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- Customize research material to be appropriately used and understood by different functions and expertise levels at advertisers and agencies.
- Demonstrate to advertising Management that magazines are also thinking globally and maximizing your research investment. Specifically set up a central research bureau to collect the research, analyze it on an aggregate basis and make recommendations for the next steps so we build on rather than repeat.

Advertisers, particularly global ones, every day use the collective learning experience of our marketing efforts, country by country, and share the knowledge to reduce waste.

Regretfully given the experience, perhaps we should be discussing whether this research direction is a business opportunity for the global magazine industry. To put it simply, do we need it? A resounding yes. What use have we made of it -- considerable; at every opportunity we present the directional findings.

Having provided an indication of our support, and the need for this research, let me expand on the realities of the market.

First, Management has become significantly more involved in media. They are now demanding of media more of the disciplines that apply to other aspects of our business.

Second, the advertising investment will only continue if we can more thoroughly prove the return on that investment. You'll note the word investment, not budget. Today we can prove the return from couponing, display activity, feature pricing and so forth. We must develop the tools to provide the same validation for advertising.

Third, attitudes are changing. There is a realization that media and creative are not separate entities. More and more advertisers are talking about communication excellence - the synergy of creative and media working together.

Fourth, media expansion and fragmentation have made us realize the importance of better targeting. We must more fully understand our consumer and how they use media, then match the target groups exactly with the media.

Fifth, to be effective, print's sales representation should address print's ability to impact an advertiser's bottom line. We must establish the relationship between more effective communication and repeat sales from a more committed consumer.

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On the potential negative side, Marketing and Media planning is now more and more individual market-driven rather than a national downward perspective.

As a result of this later direction print will have to compete for its share of a reduced national budget. Greater priority is now being given to local markets, reducing the national priority.

Unfortunately, prints' major foe and television, although showing increasing signs of old age, is becoming rejuvenated.

- Deregulation.
- Globally accepted pre and post creative testing techniques.
- Multi-country delivery of signals.
- The excitement and modernity of satellites.
- Vertical cable to compete with niche print magazines.
- Improved audience research -- the people meter in close to twenty countries and the passive meter on the horizon.
- Single source research that directly relates ratings to product usage.

For the balance of the presentation we will concentrate on the positive side, providing thoughts on where we go from here.

Media mix is almost mandatory for our brands in almost every country. While we may not be as successful as we wish, we are making real progress.

Print, versus the other non-television media, has a definite edge in establishing the communication advantages of this.

From this positive base, we must collectively decide on the next steps.

My first recommendation is that the print industry formally summarizes the work to date and identify solid facts as well as positive direction. From this, start a dialogue as to where this should evolve. Let us have a strategy to build upon the current base, each time reporting the cumulative gain in learned knowledge. We obviously endorse the proposal by FIPP to produce a brochure and video. The latter could be an integral part of our planned communication of this segment to our subsidiaries and agencies.

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A further argument for this collaboration is the cut-back in media research personnel in today's Agency environment. If you feel confident that your "three years as the business representative" working with our "three years in the business media planner", and presenting to our "three years on the job" product manager, have our joint interests fully covered, then I must apologize for wasting your time.

Earlier I referred to the major problem of print development. I understand, for the U.S. research, it took over a year before the MPA was able to collect examples of proven creative. Perhaps the industry should step outside of its traditional role and also explore the range of creative to improve the synergy of print and television. One thing I am sure of is that whereas multiple television executions are developed, a comparable effort is not put behind print.

I will close with one last request from the World Federation of Advertisers. Today's global marketplace demands harmonization of research techniques, demographics, etc. so that we can compare results. In Europe, for example, the WFA and IAA have jointly assigned harmonization of demographics to ESOMAR. In television, the WFA is working directly with the European Broadcasting Union to standardize television research. Let us ensure that all studies have a goal to standardize method and demographics so that cross-country analysis is completely feasible.

Advertisers are starting to take a more pro-active role in guiding our media destiny. We have to. In the 1990's, Management will be demanding accountability for the communications investment. The multiplier effect is a step in the right direction.

Thank you.