

SECRETS TO SUCCESS: REAL-WORLD RELATIONSHIPS BETWEEN PRINT EFFECTIVENESS, READERS & ADVERTISING

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INTRODUCTION

Advertising effectiveness and accountability top the chart in terms of media industry importance. As media options proliferate, media audiences fragment. Advertising budgets in most cases are not increased at a rate commensurate with this growth in advertising outlets. As a result, pressure mounts on media, especially on traditional options such as magazines, to demonstrate effectiveness.

There are many stakeholders in this accountability quest. And while they may all want to achieve the same outcome and measure the same metrics, they aren't all equally equipped to do that.

Stakeholder #1 is the advertiser, the media buyer who wants "proof" that the advertising achieved its objective. The advertiser, for the most part, has the wherewithal to measure anything and everything. Advertisers can easily capture attitudinal measures. And, usually, they can directly measure or purchase information on a variety of behavioral measures, including sales.

Stakeholder #2 is the media seller who want to provide proof that his/her medium is effective and has contributed to achieving the advertiser's objectives. The seller, however, does not have access to the same data that the advertiser does. Left to their own devices to demonstrate media effectiveness, media sellers are limited to information they can gather from the people who see their media, such as readers.

Advertisers want hard measures. Sellers can only deliver soft measures. Advertisers want Return on Investment and employ media mix models; sellers can only deliver potential-ROI and employ survey research. Advertisers measure the return on their total media plan; sellers can only measure the influence of their medium. It has not always been a mutually satisfying relationship.

At Time Inc. we realize that ROI in the strictest definition -- product sales-- is not a place we can provide expertise. Marketers spend significant amounts of money estimating how much is and should be spent on advertising and what they get in return. When it comes to these analyses, media sellers do not have a seat at the table. That, however, doesn't mean media sellers don't have skin in the accountability game. We've realized that our role should be complementary to what a marketer may do, and as such have focused our efforts on achieving this.

Results from a recent Association of National Advertisers (ANA) survey report that while most advertisers would like to do so, only 47% of member companies do any ROI estimates for print. And we know that not every advertiser has the need or the means to do sophisticated ROI research, such as media mix modeling

That leaves a lot of opportunity for media sellers to provide insights on how media perform.

WHAT WE KNOW

The history of magazine research is rich with independent examples of the effectiveness of magazines for specific advertisers or categories. The key word here is independent. What's often lacking is the ability to provide an integrated picture of a particular marketing situation and to identify just how magazine advertising works to drive the advertising return. Most of the work that is done is not shared. As a seller of one medium, we are continually piecing together audience metrics and individual case histories to prove a specific point and have not had the luxury of consistent and definitive learning across a multitude of studies.

We know the following:

A large body of information already exists that attests to the effectiveness of magazine advertising. The MPA has sponsored an on-going series of studies demonstrating everything from reader engagement, with the work from Northwestern [1] on reader experiences, to sales ROI, with the work that they have done with MMA (Marketing Management Analytics) [2] and the Hudson River Group [3]. Independent research companies such as Dynamic Logic [4] and XMOS have inadvertently demonstrated the superior ROI that magazines can deliver.

Starch and Affinity are providing ever more data on issue-specific ad recall, the quality of recall and the actions a reader takes as a result of seeing advertising. And reader involvement metrics continue to evolve. Of particular note is the work that Starcom has done with ACE: Accountability, Connectivity, Engagement initiative [5].

The magazine industry has a wealth of information demonstrating that advertising DOES work. All this learning, however, has not fully satisfied advertisers as they continue to criticize the industry for not being able to demonstrate how the medium impacts sales. And in reality, despite the millions of dollars spent on research we can't answer some of the most basic questions posed to us:

- What is the range of response generated by magazine advertising?
- What is the lift in awareness, favorability, and consideration resulting from magazine advertising?
- Will targeting ad creative to the magazine environment improve advertising performance?

More often, we answer these questions by explaining why one magazine is better than another without being able to first tell why magazines are a good investment to begin with.

OBJECTIVES

Time Inc. has a history of researching advertising effectiveness. We have invested our time, thinking and money. We have many studies detailing the performance of individual campaigns, but we have never systematically compiled and analyzed the data across all studies. Our ROI, so to speak, was lots of data, but few insights.

Recognizing that and wanting to remedy the situation, Time Inc. has set about mining existing research and bringing it into one comprehensive database that currently has the working title "TIES: Time Inc. Effectiveness System." It is based on a selection from the nearly fifty (50) proprietary ad effectiveness studies that have been conducted on behalf of advertisers over the past 3 years. Across these studies we have amassed a huge amount of data on measures such as ad recall, familiarity, brand rating, and purchase consideration. However, not all of the data has been collected in the same way, with the same methodology using the same questions.

We believe TIES will become an integral part of Time Inc.'s diagnostics for accountability. The specific objectives and outcomes we hope to achieve are:

- ⇒ To bring disparate groups of data together to create a database
- ⇒ Synthesize learning across studies
- ⇒ Establish best practices and benchmarks for key ad effectiveness measures
- ⇒ Identify measures that are the most effective in evaluating the success of a campaign

METHODOLOGY

We began with a selection of 16 studies from approximately 50 conducted by Time Inc. in the past 3 years. IMS loaded respondent level data from these studies into its cross-tab program to create TIES. Correspondence analysis, a descriptive-exploratory technique that permits researchers to analyze dual and multi-set data tables to determine whether a measure of correlation exists, was performed. The results derived from such analyses are similar in nature to those produced by standard factor analysis

Studies included in the analysis covered a range of advertising categories: automotive, finance, insurance, color printers, digital imaging and photography, internet, corporate image, electronics, retail, travel, wireless and beauty. Collectively they represent \$100M in advertising revenue for Time Inc.

Next, common metrics from each study were cross-tabulated by the various "success" measures implemented within each survey - i.e., ad recall, familiarity, purchase consideration, brand rating, actions taken, purchase consideration and/or positive brand attitude.

The survey questions were constructed by Time Inc. to capture scaled responses ranging from total agreement to little or no agreement. IMS established volumetric mid-points for these scaled responses, thus permitting each metric to be weight averaged into scores ranging from a low of 1 to a high of 10. This provided us with a way of normalizing the responses across disparate studies.

Some surveys employed a test/control methodology allowing us to compare the metrics across a matched sample of ad exposed (test) and non-exposed (control) respondents. Others employed a pre/post methodology to assess changes over time. For most studies, information was collected on both the advertised brand and major competitors, and evaluated among both the test and control sample.

Once common responses had been weighted across the board, the scores were factor analyzed for each of the metrics e.g. brand familiarity scores by brand purchase consideration, etc. The following statistics were used to determine the quality of the analytical correlations:

- **Benchmark Scores (Total):** composite scores for each of the common metrics analyzed in each study
- **Benchmark Scores (Minimum):** the lower-range benchmark score based on pertinent success metrics captured within each study.
- **Benchmark Scores (Maximum):** the upper-range benchmark score based on pertinent success metrics captured within each study.
- **Quality Coefficient:** a measure of the goodness of fit for the pertinent success variables relative to each common measure. A score of 1,000 means that all variance has been explained. High coefficient typically equals 750-1,000, moderate coefficient equals 500-749 and low coefficient equals 499 or less.
- **Success Index:** the resulting ratio derived from dividing the pertinent success metric by the total benchmark score for each common qualitative characteristic.

FINDINGS

First, we found that trying to rationalize data from disparate studies is very hard, not to mention frustrating. So what we are sharing with you are truly preliminary findings. We are still trying to grasp the implications of the quality coefficients and success indices and will not be discussing these data in this paper.

In addition, our studies are rich in measures, but for the purposes of this paper we will be concentrating on the measures of familiarity, brand rating, consideration and brand prompted recall.

Among the common metrics evaluated, we were particularly interested in understanding the results in two ways:

1. Test Brand vs. Competitive Brands: How does the test brand perform relative to its competitive set?
2. Test vs. Control: How do respondents exposed to print advertising behave compared to a group that is not exposed to print advertising?

TEST BRAND vs. COMPETITIVE BRAND

We began by evaluating the range of responses for familiarity, brand rating and purchase consideration. Among all brands, consideration tends to show the most discrimination between test brands and their respective competitive sets, with most test brands receiving higher purchase consideration. Across virtually all the studies, the tested brands reported the highest benchmark score.

We were somewhat surprised by the strength and discrimination of the purchase consideration measures expecting to see greater movement in the measures of familiarity and brand rating. At the same time we were pleased by this result since the role of magazines in motivating purchase action is where the industry is most often challenged.

When the familiarity scores were further parsed by spending and brand life cycle we did see differences. And they are not surprising. The heavily advertised competitive brands, some of which are probably better known than the test brand, covered similar ranges for familiarity and brand ratings. Among both the test and competitive brands, we find that lesser known and/or new brands tend to score on the low end of the familiarity scale, while more mature brands scored at the high end. Brand ratings showed no differentiation based on brand life cycle.

TABLE 1: BENCHMARKS

	Test Brand	Competition
Familiarity	2.04 – 9.8	2.07 – 9.67
Brand Rating	3.2 – 8.9	2.07 – 9.1
Purchase Consideration	2.38 – 9.56	1.66 – 5.36

TEST vs. CONTROL

Next we looked at the same measures, plus recall, for the test brands against both the test and control samples. To review:

- The test group was a random sample of readers of the Time Inc. magazines that carried the advertising.
- The control group was a demographically matched sample that had not read a Time Inc. magazine that carried the advertising.
- Magazine Ad Exposure: some of the campaigns were exclusive to Time Inc and some were not. Therefore, there was a possibility that exposure to the magazine ad campaign occurred among the control sample.
- Multi-media exposure: given the random nature of the sample selections for both the test and control groups we assume that both samples had an equal likelihood of exposure to non-magazine advertising.

The chart below shows the indices for the test sample compared to the control (Test score/ Control score).

First, leaving recall aside for now, the test/control paradigm shows a greater consistency of performance across the various metrics than we witnessed in the test vs. competitor analysis. Again, brand ratings showed less differentiation than did familiarity or purchase consideration.

Second, purchase consideration and familiarity gains showed a consistency in lift over the control group. These metrics look a bit more malleable and susceptible to change than brand ratings. Again, we were pleased to see the lift in purchase consideration, which demonstrates the incremental (or complimentary) benefit of magazines relative to the other media in the plan.

Third, brand ratings were a bit harder to change. The category with the largest brand rating advantage, beauty, had a brand that was new to market and one could assume that non-ad exposed consumers had little experience on which to rate the brand. The financial category, the second highest in brand rating gain, also included a new product but for an existing brand.

TABLE 2: SUCCESS INDEX--TEST COMPARED TO CONTROL

	Familiarity	Brand Rating	Purchase Consideration	Recall
Automotive	108	108	108	110
Financial	123	111	NA	144
Insurance	107	98	107	178
Digital Products	119 - 123	100 - 107	109-115	120 - 148
Internet	103 - 104	101 - 104	102 - 103	100 - 106
Retail	101	NA	100	98
Beauty	296	112	175	300
Wireless	NA	105	118	NA

NA: Measure not available

Recall is a metric that we have addressed in a number of ways. In most studies we have included unaided, brand prompted, and aided measures. For the purposes of this analysis, we will be concentrating our findings on the impact the campaigns had on brand prompted recall. This measure assesses the levels of recall a respondent has for ANY advertising and when compared among a test and control sample is able to isolate the contribution that print has on a marketers' multimedia campaign.

In most cases, the brand prompted recall is significantly higher among respondents exposed to print (test cell) than the unexposed (control). Brand prompted recall indices ranged anywhere from 98 – 300 depending on the category. Brands that were new to market or even new to print, garnered the highest levels. The most mature brands—those who have advertised consistently in print and other media -- reported smaller differences against a control. Clearly, creative, media weight and competitive advertising presence play an important role here. Even so, the differences between test and control groups were consistent with what we saw for the other measures, except brand rating.

Another way to illustrate the relationships between the metrics was to look at the correlation coefficients. We chose the Digital Imaging category which had several mature brands and may be most indicative of the composition of the magazine industries advertising base. As you would expect from the data above, familiarity with the brand was most highly correlated with recall followed closely by purchase consideration.

CORRELATION COEFFICIENTS FOR DIGITAL IMAGING

- Brand Prompted Recall with Familiarity =1.000
- Brand Prompted Recall with Consideration = 0.800
- Brand Prompted Recall with Brand Rating = 0.400

IMPLICATIONS

First, while we underestimated the difficulty of retrofitting data, we still believe that we have garnered a lot of learning from this exercise. These insights have allowed us to offer clients guidance on how to conduct this research and perspective on how to evaluate it. It has also been invaluable in managing expectations regarding achievable outcomes.

Specifically, from the analyses to date we have learned:

1. We can demonstrate that advertising effects are discernible even with limited campaigns.
2. We can isolate the effect of magazines above and beyond the other media by using a control sample.
3. Once again we can demonstrate that magazines drive readers to take actions.
4. Purchase consideration, the closest proxy to an actual sales measure, showed the best discrimination between test and competitive brands.
5. Recall does appear to correlate with sales potential measures.
6. There are differences in which measures are the most relevant between new and established brands.

Since we completed this phase we have introduced a greater degree of consistency in how we conduct advertising effectiveness studies. As so often happens, either budget considerations or other factors interfere with our ability to conduct the research exactly as we would like. However, to the extent possible, we plan to implement the following practices:

- All studies should include a control cell in order to gauge responses against an unexposed population.
- In addition to ad recall, each study should include four key brand measures: familiarity, brand rating, purchase consideration and brand imagery.
- All response scales should be consistent across studies.
- Media spending and/or weight needs to be (independently) captured.
- The presence of competitive ads in test magazines needs to be monitored.

Time Inc plans to add to the TIES database. While we have made progress there is much more we have to learn. Greater depth and breadth of ad categories, brand life cycles, reader engagement, target information and creative evaluation are just a few areas we plan to pursue.

REFERENCES

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