Is it working?

How much of your marketing budget should you spend on researching whether or not your ad is working?

By Gordon Hooper

When I was asked this timeless question I was reminded of the time in 1984 when I sifted through the conclusions of some 1400 academic papers on the topic of testing advertising. The conclusion was...there is little to conclude! It was generally agreed that consumers ability to recall an advert has very little to do with its successful performance. It was also agreed that one shouldn’t test adverts in focus groups. (This is obvious merely on the grounds that “tests” imply “scores”, and focus groups don’t produce reliable scores!)

Despite this understanding most advertising research money is spent on establishing recall scores (faithfully modelled against ad spend) as well as “pre-testing” adverts in focus groups.

Arguments abound as to how advertising works, but most agree that advertising plays a role in achieving any one or more of a host possible marketing strategies typically deployed to bolster a product’s sales or margin. A thought starter list of some of these purposes follows:-

• Creating awareness of a product’s existence and availability
• Reminding consumers about a product’s existence and availability
• Encouraging consumers to try a product
• Rewarding consumers for buying a product
• Coaxing consumers to resurrect purchasing a product
• Creating perceptions about a product’s features and benefits relevant to consumers’ needs (relevancy)
• Creating perceptions about a product’s features and benefits relative to those of competitors (superiority)
• Reinforcing existing perceptions about a product’s relevancy or superiority
• Changing negative perceptions about a product’s faults and problems
• Informing consumers about a product’s price
• Increasing the emotive affinity felt by consumers toward a product
• Aligning perceptions about a product’s personality with a particular target segment’s mindset

Most will agree that, broadly speaking, advertising plays a different role depending on whether the product is new or mature, complex or straightforward, rational or emotive, high involvement or habitually purchased, grudge or high reward, high risk or frivolous, frequently or infrequently purchased, and so on.

Given this complexity, it is not surprising that we struggle to find a “recipe” for testing advertising. It is probable that no such model exists, leaving brand managers and researchers with the job of applying our minds to tailor making a research solution (land therefore budget) for researching one’s advertising.

Some adverts clearly don’t warrant any form of testing. For example, a retail lines and prices advert is perhaps best tested by the sales it achieves, and it’s success is largely a function of the desirability of the product advertised or the value perceived in the price offered. On the other hand, an advert designed to reposition a brand from one belief system to another probably warrants significant research spend.

Before we try to answer the question “how much to spend on research?” we need to discuss the different types of research generally applicable to advertising.

Firstly, comes brand positioning research. If your advertising is charged with creating, changing or reinforcing consumer beliefs about your products’ features, the associated benefits or the emotive response to those benefits, then your advertising strategy needs to be rooted in significant brand positioning research, often called U & A studies. Such strategic research is usually large sample quantitative work the design of which is founded on sensitive qualitative exploration work. Price-wise such surveys range from about R 300 000 to R 3 million, a sum that is independent of the intended advertising budget.

Once the advertising objectives (desired positioning relative to needs – relevancy, and relative to competitor brands – superiority) have been established, it is often useful to conduct research to generate consumer thinking about the advertising strategy. That is, what consumer language, iconography, styles, storylines, devices etc will work to create an effective advert.

Many critics scorn this phase of advertising development research citing the hackneyed lament “consumers can’t be creative”. Of course consumers can be very creative when properly researched. The focus group is a poor facilitator of creativity and other, more engaging techniques are preferable in this instance, costing typically R 95 000 to R 150 000 depending on the nature of the target market.

Once your advertisement has been conceptualised, there is often the need to “pre-test” it. Whether in a rough preproduction or almost finish post production state, adverts can be researched to check that they are actually having the intended effect on target consumers.

Tests require scores, so quantitative research is usually specified at the pre-test phase, with project costs of R 50 000 to R 300 000 being typical, depending on the nature of the market and the risk – cost trade off sentiments of the advertiser.

Finally, it is commonplace to “post test” the advert to establish measures such as achieved reach, frequency, consumer liking and a host of other potential measures. Costs for establishing such post test scores range between R 40 000 and R 100 000 depending on target market.

It can be seen, the costs relating to advertising research are largely independent of the intended advertising budget. This means that a formula like x % of ad spend is inappropriate. Further, experience shows that those who spend more on strategic research and advertising development research tend to spend less on pre-testing and post testing.

In conclusion, the astute advertising researcher resists the temptation to pull a standard measure off the shelf, and rather seeks a research solution that is tailor made to the purpose, strategy and execution of each individual advertising campaign, and research budgets will be derived as a consequence.

Let the advertising strategy guide the research strategy.