SELECTING ADVERTISING OBJECTIVES

Report No. 6

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February 1974
EXECUTIVE SUMMARY

The present report on the setting of advertising objectives is an integral part of the MCRU research activities. Although the broad aims of the research are to consider the methods of measuring advertising effectiveness, it was felt necessary to establish the benchmarks against which measurement is taking place - namely the advertising objectives. In consequence the report forms an intermediary stage of the overall research design, and is not an end in itself.

In the introductory chapter (pages I - 6), the rationale underlying the whole study is considered. The emphasis which is adopted is that any examination of the process of advertising must take into account the environment in which advertising decisions are being taken. The research plan which is given incorporates how advertising objectives are set, how advertisements are pre-tested, and the methods which can be employed to measure the effectiveness of any campaign.

The second chapter (pages 7 - 31) reviews the published material relevant to the setting of advertising objectives. It reviews the factors that have to be considered when setting objectives and assesses some of the difficulties. The conclusions which are drawn are that there are many advantages to the management which ensures that clear and precise advertising objectives are set. Clear objectives will not resolve many of the complex problems related to advertising but it is very much easier to plan and evaluate advertising campaigns with them. Another theme which is developed in this chapter is that advertising objectives are a sub-set of marketing objectives, and accordingly must be clearly differentiated from them.

Chapter 3 (pages 32 - 44) lists the information which has been gathered and analysed for this report, and goes on to comment about the general approach of the research. In particular the way in which the research differs from other attempts to consider advertising effectiveness is
outlined. In short, the research plan is unique in two respects - it considers advertising in the context of the total environment, and it uses a comparative analysis approach on information gathered on 27 product and service cases from within Sponsor companies.

What is an advertising objective?

How can an advertising objective be differentiated from a marketing objective?

In what circumstances are particular advertising objectives employed?

What are the main advertising objectives which are used in the majority of market situations?

What product and market characteristics generally group products, and consequently make them appear similar for advertising?

These are some of the questions which are explored in Chapter 4 (pages 45 - 77). Some of the bases on which analyses have been undertaken are: the stages of the product life cycle; the defensiveness or offensiveness of the product; and the advertising : sales ratio of products and services in the sample. At the end of the chapter some guidelines are given on the way in which companies do and should arrive at their advertising objectives.

The conclusion of the report makes some general observations on setting advertising objectives, and reiterates how the next stage of the research plan can be built on the groundwork established in this report.
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CHAPTER 1

INTRODUCTION

A REVIEW OF THE RATIONALE OF THE RESEARCH PLAN

The research proposal submitted in January 1973 outlined the work which would be carried out by the MCRU over a two-year period. Before stating how the plan has been implemented, it might be useful to summarize briefly the main points of it, and the rationale underlying them.

The research plan was formulated after twelve months work. During this time two main activities were undertaken.

1. Each sponsor company was visited for the purposes of gathering information on the broad marketing and advertising practices which were taking place. The results of this were published in Report No. 1, "The Identification of Current Company Advertising Practices." Aspects covered in this report were as follows:
   - A broad description of the sources of information sought in each company.
   - The role of the agencies in the marketing and advertising functions of the company.
   - The rationale underlying advertising.
   - Media advertising practice.
   - The practice and function of other promotional activities.
   - The research activities within companies.
   - Experiments within companies.
   - A comment on the extent to which general patterns of behaviour do or do not exist among the companies visited.
   - A comment on some of the common problems facing manufacturers.
The tentative conclusions presented in this report were as follows:

a) Very few examples were observed of the clear-cut effect of advertising on the performance of products or services in the market place.

b) Many managements did not expect advertising to have a distinguishable effect on the market performance of their products - advertising was just one element in the marketing mix, each element of which was supposed to complement each other.

c) For operational purposes most companies adopt, as a measure of advertising effectiveness, variables reflecting the apparent state of mind of consumers towards the product advertised or the advertising. It is generally acknowledged that these measures are not wholly sufficient but are available and useful.

d) The main activity of market and marketing research in companies is to help describe:
   i. the state of the company in relation to its customers.
   ii. the state of the company in relation to its competitors.

e) Research and development related to marketing and advertising research is not being undertaken by many companies directly; it is left to individuals and market research agencies to pursue this course.

f) A preference for small scale, qualitative research methods to examine many varied problems was expressed by many companies.

g) It was noted that success in marketing in one product area by a company using extensive advertising was not necessarily associated with success in another product area.

h) Few examples were found where models had been constructed of markets which included the quantitative effect of advertising on sales.

i) In many market circumstances, but not all, the non-media promotional effort is planned and executed separately from advertising. Its purpose is usually specified but the achievement of this purpose is not often evaluated. No company follows or feels able to follow a total communications approach in marketing.
This brief summary is not comprehensive, but it does indicate some of the general findings to emerge from the interviewing. It also serves the purpose of showing that companies are not concentrating their research efforts on measuring the effectiveness of each advertising campaign. Much of the work being done concentrates on aiding the decisions which have to be taken before any advertising or promotional campaign is conceived or implemented.

In conclusion, the initial fieldwork indicated that to study the various methods of measuring advertising effectiveness without studying the whole marketing and advertising environment within which they are taken, would be inadequate to meet the needs of the study and of the Sponsor companies.

The idea that the scope of the research should be broadened was also supported by the second activity undertaken during the first year - the extensive literature search and review. Two review documents were produced: -

- Report No. 2.1 "The Pre-Display Assessment of Advertising"
- Report No. 2.11 "The Post-Display Analysis of Promotion Effectiveness"

These reviews set out to summarise the published material on the various techniques available for pre-testing advertisements before the campaign is run, and those suitable to measure the effectiveness of the campaign after it has run. From both it was evident that insufficient work had been done to prove conclusively that any one technique was appropriate in a particular situation. In consequence it was felt that additional work would have to be undertaken to determine in what circumstances a technique could be employed, and just what answers a technique could provide.

THE FRAMEWORK FOR RESEARCH

It was on the basis of the two activities described above, that the research plan was formulated. The diagram around which this was built is included to show the overall task which the MCRU felt able to tackle in a two year period. Such an approach, it is believed, will allow for a comprehensive study of advertising effectiveness.
FIGURE 1
AN OUTLINE OF THE FRAMEWORK FOR RESEARCH

Company perception of the specific market situation.

Beliefs in the way advertising works

if any effectiveness evaluation is to take place, objectives must exist against which measurement can be made

these will influence the objectives which are set

Methods of evaluating the effectiveness of the particular advertising campaign

Measures assumed to be correlated with ultimate market performance

- e.g. attitudes predispositions to buy

Overt measures of ultimate company performance in the market place

- e.g. sales
- market share
- profit

Setting advertising objectives

these measures are assumed to provide a direct feedback to the objectives, but it is necessary to check,

- a) that the unit being measured is valid, and
- b) that the objective set can actually be measured

pre-testing can be used as a check on whether or not the specific sub-objectives associated with an individual advertisement are being fulfilled e.g. the ability to convey a particular communications point

Methods of pre-testing advertising

N.B. The dotted lines indicate an assumed, but little substantiated relationship, and also areas in which it is desirable to study, but which will not form the main emphasis of the research.
ADVERTISING OBJECTIVES

It would have been possible to see the task of the MCRU as one of cataloguing the various methods which could be used for measuring the effectiveness of a campaign. However, to do this without referring to the circumstances in which each technique becomes applicable is inadequate. As soon as the word "measurement" is mentioned it becomes necessary to state in precise terms exactly what it is that is being measured. In the case of advertising the object to be measured will vary according to the details of the campaign, and these will vary according to the objectives which prompted the campaign. This raises the whole question of what it is manufacturers are attempting to achieve when they commission the preparation of an advertising campaign. In short, it raises all the issues associated with 'What are the objectives'; 'What influenced the setting of the objectives'; and 'How can such objectives be measured after the campaign has run'. Because of this situation it seemed quite inadequate to consider only the various measurement techniques. For the project to offer the maximum use to each of the Sponsor companies it was felt necessary to try and clarify some of the much broader issues. The main points of the research were therefore seen as threefold:

1. What objectives are set in particular situations and what are the influences which lead to these objectives?

2. What techniques exist to check that the objectives of a campaign can actually be communicated?

3. Given that precise objectives will seek to achieve specific reactions among the target population, what techniques exist to measure the extent to which these objectives have been met?

Over a two year period it was intended that the MCRU would collect information in these three broad areas. The question still remained, however, of how this information could most constructively be collected and then analysed.

SUBJECT MATTER FOR ANALYSIS

From the initial interviews in each of the Sponsor companies, it was found that a number of products or services, existed which illustrated
interesting marketing situations, which had been the subject of a substantial amount of research and documentation, and which had been advertised on a fairly regular basis. In view of this knowledge it seemed that it would be particularly fruitful to collect information on a product specific basis, or alternatively on a specific service basis where companies were not offering conventional products. It was argued that if the researchers gathered information to fit the framework for research, on a product or service basis, they would accumulate between thirty and forty case histories. If the cases were carefully chosen to represent a spread of different market situations, it would be possible to draw conclusions on:

i) when specific objectives are particularly appropriate:
ii) how the objectives can best be implemented:
iii) how the communication points can be checked for accuracy,
iv) how the campaign can be evaluated for its effectiveness.

The emphasis given to market situations emanates from the initial interviewing. From this stage it was found that companies could not realistically set their marketing or advertising objectives without taking full account of the situation of the market. As an example, a series of objectives could not be listed as appropriate for all fast moving consumer goods; rather objectives have to be set for fast moving consumer goods operating in a static market, a rapidly expanding market, or else for those in which there are many competitors or no direct competitors, and so on. In effect the characteristics of the market into which the product or service is being sold will determine whether or not a particular advertising approach is appropriate.

As stated at the outset, the research plan submitted in January 1973 outlined work to be done over a two year period. Since the approach of the MCRU states that everything else flows from the objectives which have been set, it follows that this is the area of research which must initially be explored. For this reason, the report which follows will describe the work undertaken in order to understand the objective setting processes. Before turning to the empirical work the previously published material is considered in the following review.
CHAPTER 2

A REVIEW OF OBJECTIVE SETTING FOR ADVERTISING

Introduction

"Only the brave or ignorant ... can say exactly what advertising does in the market place"

Martin Mayer in 'Madison Avenue'

"Is your advertising getting results? It sure is! Last week we advertised for a nightwatchman and the next night we were robbed".

Anonymous

"I know half the money I spend on Advertising is wasted; but I can never find out which half"

Lord Leverhulme.

These three quotations summarise the widely held view that although advertising does have effects in the market place, the mechanism by which this happens is not generally known and the consequence is that it is believed much advertising is wasteful or inefficiently directed. According to surveys by Britt (1969) 173, Schwartz (1969) 176, and Majaro (1970) 492, a large number of advertisers make no serious attempt to measure the effectiveness of their advertising and would seem to be acquiescing in the unsatisfactory state of affairs. Schwartz states that:

"Sound management practice dictates that all phases and operations of the company be subject to systematic review in order to achieve a maximum level of performance. This should include advertising".

The counter argument sometimes posed is that it is not possible to evaluate something the precise working of which one is uncertain about.

It is the belief and experience of the MCRU that companies and organisations can and do set objectives and goals for their advertising activities and that these can be subsequently assessed for their degree of achievement. The benefits of systematically setting and evaluating objectives for the various elements in an advertising programme include:
a) marketing management has to consider and define in advance specifically what each element in the programme is required to accomplish;

b) an information system can be set up to monitor on-going performance and will have clear objectives as to the nature of information required: this will enable more effective use to be made of all resources in dynamic market situations;

c) marketing management will learn about the system it is operating upon on the basis of accumulated experience of success (and failure) and so improve future performance.

The evaluation of advertising activities against pre-determined objectives in a systematic way is essentially 'Management by Objectives' - an approach which is now widely established and practiced in many spheres of Business and Government. A definitive, practical exposition of these procedures is given by Humble (1972) 1801.

It is the MCRU's belief that before any advertising activity takes place, expectations must be held as to the likely outcome. As was indicated in Report No. 5., on Media Weight testing, it is folly to embark on such tests without estimating beforehand the degree of change that can reasonably be expected to occur in the market place: the extent of this expected change defines what one must aim to measure and specifies the measurement effort required.

The question of setting objectives for advertising, which can be subsequently evaluated, is that of refining and clarifying the expectation for an advertising programme such that objective items can be defined. The derivation of the expectations for an advertising programme will be dependent on market research, understanding of the market, beliefs on how advertising works, or entrepreneurial skills - no limitation need be placed on this latter aspect of advertising purpose.

The MCRU has found that very little has been written on the specific topic of the setting of advertising objectives. For this reason and because of the importance of this step in the advertising process, the second phase of the research programme has concentrated on this topic. The review presented here draws together the scant literature on advertising objective setting and other relevant material having a bearing on such decisions.
The Need for Advertising Objectives

Having clear objectives for advertising will aid making the operational decisions for advertising programmes. The major operational advertising decisions can be summarised as:

- how much should be spent on advertising?
- what should comprise the content and presentation of the advertisements?
- what media are most appropriate?
- what should be the frequency of display of advertisements or campaigns?
- should any special geographical weighting of effort be used?
- what are the best methods for evaluating the accomplishment of advertising?

The possession of clear objectives which are required to be fulfilled by advertising will not resolve many of the difficult decisions cited above but they will allow all decisions to be made both consistent with the objectives and in the light of most recent, pertinent knowledge and experience.

Do organisations set adequate advertising objectives?

Majaro (1970) 492, conducted a major survey of advertising management practice in the U.K. and European Companies which included questions on whether advertising objectives were formulated, if so what the details were and how effectiveness was evaluated. It was found that although 70% of companies appeared to set objectives these were mostly very crude and tended to be confused with marketing objectives. Most managers saw their main objective as to "increase sales" or market share but these are total marketing objectives: unless advertising were the only marketing mix element used it would not be reasonable to expect advertising to achieve this objective (except in the mail order business, perhaps). Most consumer goods companies set some sort of objectives, but the majority of those who did not were those marketing industrial goods or in service industries, like Banks, according to Majaro.
Only 55% of companies actually reduced objectives to a written form and it was found that many of these comprised the 35% who reported a market share increase as well as a sales volume increase during the period of the study (1965-69). 85% of those reporting sales increase practiced management-by-objectives throughout their operations, including advertising, and although one cannot impute causality the indications are nevertheless there that advertising by objectives may greatly aid marketing success.

Majaro found the following 'objectives' were set, in decreasing order of frequency of mention:

- increase or support sales
- create or increase awareness
- improve image of products
- sales promotion
- influence attitudes
- inform or educate
- introduce new products

Similarly he found the following methods of 'evaluation' were claimed to be used, in decreasing order of frequency of mention:

- sort and count (direct response advertising)
- group or panel discussions
- recall studies
- comparison of sales results
- depth interviews
- folder tests
- salesmen's monthly reports
- annual market research survey
- dealers reports
- mathematical models

A common failure, reported by Majaro, was that measurement methods did not dovetail with objectives, e.g. depth interviews were claimed to be used for evaluation by a company whose objective was to 'inform about availability'. The number of companies using mathematical models was small and it seemed unclear what precisely they were designed to measure anyway.

The overall conclusion was that relevant measures were not being used: one end of the advertising management system was not particularly in touch with the other. Clear, precise advertising objectives, known to all involved, would obviously rectify this situation, it would seem.
Britt (1969) 173, examined 135 campaigns by 40 U.S. advertising agencies each of which purported to contain 'proof of success'. He showed that on the material presented almost none of the agencies really knew, or could have known, whether or not their campaigns were successful.

Britt examined three aspects of each campaign: Were specific objectives set well enough for subsequent measurement to be made? Did the agency attempt to measure effectiveness by clearly stating how the campaign fulfilled any previously stated objectives? Was the difference in the results of the previous two analyses explained by size of agency or product?

Only two campaigns met Britt's criteria for adequate objective setting - most failed on their lack of specifying what criteria were to be used for evaluation. Examples of the insufficient objectives could be classified under the following headings:

a) failure to state objectives in quantifiable, detectable terms (133 campaigns)
b) apparent failure to realise that results of the advertising could not be measured in sales terms (33 campaigns).
c) failure to identify the advertising audience (21 campaigns)
d) the use of superlatives - which are unmeasurable, (e.g. 'to obtain maximum public support' (4 campaigns))

In 93% of the campaigns the 'proof' of success was not given in terms of the previously stated objectives. For example where the objective was stated to be awareness, success was expressed in sales achievement; where the objective was supposed to be a new image, success was stated in readership or enquiries received; and where more than one objective was cited, success was usually only quoted on one, the others apparently being ignored.

Britt's source of information was agency publicity material which may not be the most objective of information but does indicate examples of logical inconsistencies that can be made if clear objectives, known to all involved with an advertising programme, are not firmly established.

What then are the precise advantages of setting clear advertising objectives which can be systematically evaluated?
The Advantage of Specific Advertising Objectives

Majaro (op. cit) asserted that 'Advertising by Objectives' had the following advantages:

a) It helps integrate the advertising effort with other marketing mix elements leading to a consistent, logical marketing plan;

b) It helps the advertising agency prepare and evaluate relevant plans and also recommend appropriate media. Majaro recommends that it is not wise to leave the setting of objectives entirely to the agency.

c) It assists in determining advertising budgets.

d) It aids the appraisal of advertising plans and enables control over activities to be maintained by top management.

The advantage of having specific advertising objectives is that they provide a clear direction and focus for the advertising effort. This is in contrast to advertising by objectives, which is a more flexible approach that allows for some degree of creativity and experimentation. Majaro's recommendations highlight the importance of advertising objectives in ensuring a consistent and logical marketing plan, as well as the need for the advertising agency to play an active role in setting and evaluating these objectives.

Colley (1961) 28, in the treatise on DAGMAR (Defining Advertising Goals for Measured Advertising Results) drew attention to the fact that often all those within a company having an interest in and influence upon advertising decisions may not have a common understanding of its purpose. For example,

-the M.D. may be most interested in the corporate image;
-the sales manager is concerned with larger orders;
-the finance director is concerned with chargeable expenses in a particular period;
-the advertising manager (or marketing manager) is concerned with advertising investment to build brand images and/or increase market shares.

Colley (1962) 878 concluded that "the chief deficiency in advertising effectiveness is the failure to define advertising goals"

This theme has been augmented by West (1971) 3, who initially draws attention to the fact that there are often primary and secondary objectives to any campaign. He further feels that the decision of who should be involved and also who should be responsible for setting and evaluating advertising objectives is important. In fact, this statement should be part of the objectives document, one could postulate. West asserts that senior marketing people should have an understanding of evaluation techniques (both pre and post testing), so they can know how much they can depend upon them when appraising risk situations. He further asserts that no advertiser can afford
to live with the implications of Lord Leverhulme's statement (cited on page 7) in the light of pressure on profits. He claims that methods for evaluating other decisions in business do exist and should be used to appraise advertising decisions.

"Any investment decision of this importance must engage the detailed attention of senior executives of the company, who should demand the same rigorous analysis of advertising investment that other investment projects receive."

West cites figures for advertising/profit ratios for a variety of companies to show that a significant increase in effectiveness of advertising would lead to significant profit increases for many consumer goods companies. Although this is a well known adage, West goes on to point out that:

"In investment planning a part of the exercise is a statement of investment objectives, spelt out in detail, together with a statement of the nature and size of returns expected from the investment .... no company can expect to evaluate its advertising until it has agreed on specific marketing and advertising objectives."

In essence West is expounding the old business principle of management by objectives. He cites examples of the varied advertising objectives which are sometimes expressed, e.g. increase sales and profits, expand brand share, maintain favourable consumer attitudes. These he states are not advertising objectives but total marketing objectives.

"If evaluation is difficult on these vague terms, then consider the problem of the creative people in the first place; any pre-testing probably doesn't examine the advertisement they thought they were creating - the client has his idea, the researcher his idea etc."

West advocates that objectives for advertising should be written down and specific agreement obtained from all those concerned in the advertising programme.

Another advocate of the value of clear advertising objectives is Townsend (1970) 1902, who in his engaging account of revitalising the somewhat dormant Avis company, called into question much of the woolly, unspecific advertising.
Adler (1967) 1803, in a comprehensive review of marketing systems, finds that:

"In an increasing number of companies we see more conscious and informed efforts to apply rational fact based methods for solving marketing problems, and greater recognition of the benefits these methods offer. While these benefits may be newly realised, there is nothing new about the underlying philosophy; in the parlance of military men and engineers, it is the systems approach".

In his section on the steps to be taken in implementing the systems approach Adler lists the first of ten, to be:

"define the problem and clarify the objectives"

Finally, Ansoff (1968) 1799, the doyen of corporate planner's mentors, has written at length on the value and significance of objectives to any business activity.

"When made explicit within a firm, objectives become tools of many uses in appraisal of performance, control, coordination, as well as all phases of the decision process. Their potential pervasiveness is such that objectives have been used as a basis for an integrated view of the entire management process which has become known as management by objectives".

His words, although primarily directed at corporate planning are wholly relevant to a sub-system of management control, such as advertising. He further defines objectives:

"as a measure of the efficiency of the resource - conversion process. An objective contains three elements: the particular attribute that is chosen as a measure of efficiency, the yardstick, or scale, by which the attribute is measured, and the goal - the particular value on the scale which the firm seeks to attain."

Ansoff maintains that a firm which meets high performance in most of its subsidiary objectives will substantially enhance its long term rate of return (on assets). Hence the implications are clear for action on advertising and its objectives.
Defining Advertising Objectives

Ansoff (op.cit) defined his view of what constitutes an objective in a broad sense but one must consider how this might relate to advertising objectives.

Majaro (op.cit) found in his survey that there were two schools of thought prevalent on what should constitute advertising objectives:

a) advertising should be stated in terms of sales achievement.
b) advertising and other promotional activities should aim to accomplish clearly defined communication objectives and therefore succeed or fail on how well it communicates the pre-determined information or attitude change to the right people at the right time.

It has been pointed out previously that sales measures are not a useful objective or yardstick, particularly for generic products, or in static and/or oligopolistic markets where the purpose of advertising is often defensive and no change in sales level is anticipated. Similarly, the second 'school of thought' is too narrowly defined, depending as it does on an 'advertising works by communicating information' philosophy. It is generally agreed that advertising operates by aiming to evoke a response but does not necessarily have to be informative.

In Britt's study (op.cit) he established at the outset what he considered to be an operational definition for acceptable advertising objectives to fulfill. An operational definition entails defining a term by stating the procedures (or operations) employed in distinguishing the item referred to from others. He established four criteria for advertising objectives to be acceptable and regarded, by him, to be specific enough for management control and evaluation:

"The statement of an advertising objective had to make it clear: what basic message was to be delivered, to what audience, with what intended effects and what specific criteria were going to be used to measure success".
The actual form which advertising objectives can take is extremely varied. Colley (op. cit. pp. 62 - 68.) distinguished 52 different communication goals that might be used with a single advertisement, a year's campaign for a product, or a company's entire advertising philosophy. Some possible goals he listed are:

- announcing a special reason to 'buy now'
- build familiarity and easy recognition of pack or trademark
- place advertiser in a position to select preferred distributors or dealers
- persuade prospective customers to visit showrooms
- build sales force morale
- correct false impressions
- implant information or attitudes regarding product features or benefits

Lucas and Britt (1963) 700, however, argue that advertising objectives should be seen in a much narrower frame of reference than Colley's. They posit that:

"Since the objectives of all advertisements are psychological, the testing methods are actually psychological measures."

Some of the more important categories of psychological objectives they cite include: initial attention, perception, continuance of favourable attitudes or interest, comprehension, feelings, emotion, motivation, belief, intentions, decision, imagery, association, recall and recognition.

Much of the book, by Lucas and Britt, on Measuring Advertising Effectiveness is devoted to considerations of measuring the items listed above. It could be argued that whereas these items may be aspects of advertising objectives they probably constitute sub-objectives of broader, total advertising objectives: they could be part of the way in which some total objectives are implemented in advertisements. However, in themselves, they are in most cases insufficient descriptions or definition of advertising objectives. The purpose of overall advertising in any situation must be established first and this is the over-riding objective that must be explicitly defined.
Possible Difficulties with setting objectives

One of the main difficulties reported by all writers on this subject is that of differentiating between marketing and advertising objectives. The MCQU would advocate that the sequence of first setting marketing objectives and then determining the contribution to certain of these that marketing communication can efficiently make. In this way advertising as distinct from marketing objectives and their respective roles can be specified.

An advertising objective is one that advertising alone is expected to achieve.

A further possible difficulty in setting objectives might be that conflicting goals are set. For example, high awareness and high attitude change might be set but the former thought to need a high cover media schedule while the latter a high frequency schedule; limited funds will usually not allow both. Situations like this suggest the need for a hierarchy of objectives. The problems posed by such situations and even more complex ones, are considered further in the section, 'Are Objectives Necessary?', later in this review.
The Purpose of Advertising/Its Range of Effects

When considering the question of setting pertinent objectives for advertising one cannot avoid some reference to the beliefs or assumptions about its underlying purpose in the total marketing mix.

Colley (1961) op. cit., felt that two important questions had to be asked at the outset when setting advertising objectives:

When? (What speed of response is expected)

How much of sales making load is to be carried by advertising?

He found that the speed of response varied from company to company and situation to situation. Similarly the expected stimulation to sales varied from 100% for mail order companies, to very small for industrial companies, who believed they achieved sales mainly by personal selling. Even within one company some products had an advertising to sales ratio of 25% while others were as low as 0.25%.

Colley asserted that the purpose of advertising was to "perform certain parts of the communication job with greater economy, speed and volume than can be accomplished through other means".

For packaged goods he stated that advertising was the main communication method between producer and consumer, while in industrial markets advertising was complementary to personal selling which increased the productivity of a salesman while relieving him of the communication task. Durable product advertising was thought, by Colley, to fall between the two extremes:

"Advertising's job is to deliver people who are informed and favourably disposed towards the product - get them across the retailer's threshold".

While the adherence to advertising as communicating information is a limitation the generalisations are useful. Consequently advertising can be seen, in this parlance, to be to perform a commercial, communication task more economically than some alternate means. Advertising is an automated marketing communication.
and can be subjugated to being compounded of a series of 'tasks'. These 'tasks' are derived, according to Colley from considering:

What are the tasks to be done?
What parts of the communications task is advertising uniquely and economically qualified to perform?
What is the ideal mix of communication forces for each product in its particular market development state?

The other aspects of Colley's DAGMAR exposition are less creditable in the light of other analysis. Essentially it hypothesised that there was a 'hierarchy of effects' in the advertising process and that:

"To sell, an advertisement must communicate and an advertisement that communicates best will produce the greatest memory impression (and this is assumed to relate to subsequent purchase)"

As was reviewed in detail in Report No. 4 the evidence to support such assertions is in general small.

What can be generalised about advertising, its purpose and effects is that in some circumstances certain objectives can be more easily attained than in others. Kotler (1972) 1500, has generalised that advertising can attempt to:

convey information
alter perceptions
stimulate desires
produce connections
direct action
provide reassurance

and that the choice of 'message' depends largely on the state the audience is in and that each type of message works on a different set of principles.

Be further asserts that the contribution of advertising is likely to be greater:

When buyer awareness is minimal;
When industry sales are rising (rather than static or declining);
When the product has features not normally observable to the buyer;
When opportunities for product differentiation are strong;
When primary instead of secondary motives can be tapped;
One could add the following to this listing:

When a new product, or new service idea, is introduced
When a regularly purchased product, which is not normally
advertised is promoted (eg milk, apples, newspapers)

Hence again one is drawn to the conclusion that with knowledge of the above
conditions for a product one can derive pertinent, specific objectives.

One further consideration often raised is whether advertising should be
considered an item of capital expenditure. This does not affect advertising
objectives for operational purposes although it might have ramifications on
company objectives. Lees (1960) 1684, summarises the situation:

"... is advertising a capital or current outlay? It is
treated in the literature as current and is certainly so
treated for tax purposes. It can be argued, conceptually
at least, that advertising is more of a capital than current
outlay since it is of the essence of capital that it gives
rise to income and that the income stream is finite. The
capital fund has to be replenished. Advertising builds
goodwill. It (goodwill) figures in the balance sheets of
companies. Ergo, advertising is capital"
Implementing objectives and task disciplines in advertising

Majaro (op. cit) in his conclusions felt that the general approach to setting objectives must follow the sequence:

1. collect all relevant information on consumers;
2. assess the marketing plan - what parts can best be achieved by advertising;
3. effectiveness planned at minimum cost;
4. objectives set consistent with the foregoing;
5. set benchmark bases for each objective;
6. obtain management approval

He asserted that management approval will be forthcoming if the aims of the objectives can be shown to be tenable (and wholly in concert with wider objectives). The need to set benchmarks for objectives is necessary but the conditions pertinent to each benchmark must also be included so that allowance can be made for changing marketing environments. This is sometimes easier said than done but nevertheless the more information one has to adjust for changing conditions, the better placed one is to come to a considered judgment.

One of the benefits ascribed to the discipline of formally setting objectives is that it makes management spell out its assumptions about the various relationships implicit in the advertising process, e.g. expenditure - awareness; attitude change - behaviour change etc.

An example of setting and implementing objectives purely for media planning is given by Ule (1957) 1804, and illustrates a practical implementation of the general principles. The case refers to the establishment of objectives and goals for advertising for a new brand of cigarettes. The steps Ule set out were:

1) Establish market share goal (establish marketing objectives) e.g. an 8% share was required of the 50 million smokers (in the U.S.A.) therefore 4 million people had to become regular smokers;

11) Determine the percentage of the market that should be reached by the advertising, e.g. the advertiser had reason to believe that he needed to reach 80% of all smokers, i.e. 40 million.
iii) Determine the percentage of 'aware' smokers that should be persuaded to try the new cigarettes; again the advertiser had reason to believe that he needed 25% of all 'awares' to try the new brand because he believed that 40% of all 'triers' would become regulars (again this is a marketing goal but it defines the media goal).

iv) Determine the number of gross rating points (T.V.) that are necessary to be purchased - therefore set objectives for the awareness and number of opportunities-to-see per person required.

v) Determine the necessary budget to achieve the required media goals.

This example is somewhat simplistic in only dealing with media objectives which would have to be subservient to creative content objectives. The somewhat mechanical approach does expose the assumptions that management has to make, and poses questions regarding various relationships, for example between exposure and trial.

On the broader front of setting objectives and goals for any business activity, but which has parallels with advertising objective setting, Smoalter and Ruggles (1966) 1805, cite many of the lessons learnt from planning procedures introduced into the Pentagon. They state that objectives should be equivalent to what is expected to happen. If problems (or opportunities) have been defined properly and fully, they assert, objectives will have automatically been defined or will be easily set. In a marketing and advertising context this puts heavy emphasis on the establishment of marketing goals. They further draw attention to the need to consider people's (managers') objectives; they cite Shaffer's words:

"The power of imaginative, clear cut and inspiring goals to evoke extraordinary performance from people...."

The strategic planning flow chart presented in their paper could well be adapted for advertising objective setting and planning into the following form:
Diagram 2: A Planning Framework For Objective Setting

- market research
  - Position Audit
    - Where does product/brand stand?
      - resources
      - capacities
      - profits
      - sales
      - market share
  - Environment research
  - Forecasts with assumptions

- Challenges Identified
  - Company affected?
  - priorities assigned?
    - resources
    - problems
    - needs
    - threats (competitors)
    - opportunities
    - constraints

- Goals/Objectives Proposed
  - Alternate Strategies proposed
    - means cannot satisfy
      - no alternative meets objectives
      - programming action
        - resources, priority
          - Decisions Authority
            - Schedule
        next planning cycle
  - Strategies Evaluated/compared
    - Evaluation

Granger (1964) lists some general findings pertinent to all objective setting for business activities, which are nevertheless relevant to advertising decisions:

"Even a small amount of clarification can increase effectiveness"

"... need not begin with a broad, grand design (corporate strategy) of an enterprise, but all objectives in the hierarchy (of objectives) must be consistent with it"

"(the objectives) should make people in an enterprise reach a bit (agency staff, marketing management)"

"Should be realistic in terms of
  a) Internal resources;  b) external opportunities, threats and constraints".
"Should take into account the creative conception of a range of alternatives and the relative effectiveness and cost of each"

"Should be known to each person so that he understands the goals of his own work and how they relate to the broader objectives of the total enterprise"

"Should be periodically reconsidered and redefined not only to take account of changing conditions but for the salutory effect of rethinking the aims..."

Finally, Ansoff (1968) op. cit., draws attention to the need for objectives to be flexible. This is in effect the realistic acknowledgement that many business decisions, including those concerned with advertising, have to be taken in conditions of partial ignorance. Therefore any objectives that are set must not be too rigid so that there is a preparedness to act if the unforeseen happens. There needs to be an external and an internal flexibility within the organisation regarding the objectives.

The Importance of Overall Company or Marketing Goals

The need for overall marketing goals to be clearly defined before advertising sub-objectives are chosen has been stated earlier. The appropriateness of these overall goals to the needs and situation of the company will have a bearing on the advertising objectives set and the degree to which these can be met. It is often quoted that marketing aims are to 'increase market share' but as has been pointed out by Henry (1971) 1807, there is often the suspicion that share objectives are based on what management wants rather than a profit maximisation approach.

Company and/or marketing goals, like advertising goals and objectives must be acknowledged to be realistic before advertising goals can be set. It is a valid advertising objective to inform consumers that a product has been improved but the level of achievement of this objective will be severely hampered if it is patently obvious that the product has not been improved.

Cyert and March (1963) 1440, argue that:

"Organisations do not have objectives, only people have objectives". Hence the objectives of a firm, or the marketing objectives are in reality a "negotiated consensus of objectives of the influential participants .... and .... renegotiated as it becomes unstable because of changes in power positions or in outside business conditions".
Consequently such considerations should be built into objective setting procedures and particularly the evaluation procedures. Saunders (1973) further emphasises this consideration of internal factors being assessed as well, in the objective setting procedure:

"What is indicated is a highly complex and dynamic process (objective setting for business activities) in which the broad structure and processes of the firm play a critical role. Looked at this way the strategic responsibility of senior management requires it to look 'inside' the organisation as well as 'outside'". 

Waterworth (1972) has examined the relationship between marketing activities and overall company goals. He feels that the purpose of businesses is essentially that of assuring 'autonomous survival'. An important ingredient in ensuring this survival is an adequate return in assets; all other elements which comprise the overall goals of a company, however, should be recognised as tending to reduce the current level of the return. A common such additional goal, examined by Waterworth, is that of future company size, which implies a definition of growth. The pressure for growth is said to come from: employees, shareholders and the market. The latter's influence is due to such considerations as:

"If the market is growing, the company must grow to maintain its position".

"To stabilise seasonal or cyclical market fluctuations".

"To supplement existing products which are moving towards the end of their product life cycle".

Growth comes about in a company because today's assets are utilised to provide tomorrow's profits. Waterworth reminds one of Drucker's generalisations about company success:

a) Results are obtained by exploiting opportunities not solving problems.

b) Resources to produce results must be allocated to opportunities rather than to problems.

c) What exists is getting old.

d) What exists is likely to be misallocated (or inappropriately specified)

These maxims for an overall company are equally appropriate to the setting of company advertising objectives.

Are Objectives necessary and practically achievable in all cases?

Some views have been expressed that the setting of objectives is a shining principle but a practical non-starter.

The difficulty of meeting multiple objectives has been mentioned previously. An example of such a situation might be that of keeping up a high level of profit on a product while also supporting a high level of advertising expenditure. How are these two items balanced in the practical situation?

Lindblom (1959) 1808, examines the difficulties of setting goals and objectives particularly in social and service organisations where there can be very different pay-offs to a particular objective depending on which section of the community, or market, one examines. A simple case would be that of the objective of solving road traffic problems round London: the sub-objective of building a motorway has a high pay-off to travellers while a negative pay-off to those living on the proposed route. It is these complex problem areas that Lindblom feels the objective setting process to be inappropriate and over simplistic. It might be argued that some marketing and advertising situations fall into this complex, conflict of interest or outcome category and so Lindblom's arguments are of relevance.

Lindblom concludes that there are two basic approaches to strategy (or objective) formulation: a) the rational - comprehensive, and b) successive limited comparisons

The first starts from fundamentals anew each time decisions and objectives are required (and is largely based on theories of the processes being managed); the second approach continually builds out from the current situation, step by step and by small degrees. Hence the first could be named the 'root' method and the latter the 'branch' approach.

Most administrations do not in fact approach complex situations and questions via the 'root' method, adopting a 'best' way, 'blue print' or 'model', according to Lindblom. "For complex policy decisions administrations are forced to use the method of successive, limited comparisons .... by the impossibility of doing otherwise, administrations are often reduced to deciding policy without clarifying objectives first".
Some reasons given are basic lack of knowledge about the processes involved and this could have parallels in the marketing situation where it is not known who potential customers might be. Lindblom argues that the simple ranking of possible objectives is not enough: objectives vary in importance with circumstances which tend to change.

Lindblom feels that policy in these situations is decided by adjusting at the margin, e.g. two different policies (or sets of objectives) might equally fulfil requirements A, B, C and D but the first one may achieve a little more on E than on F while the second achieves more on F than on E. He believes that two aspects of the process by which these situations are handled can be distinguished:

"i) Evaluation and empirical analysis are intertwined - one simultaneously chooses a policy to attain certain objectives and chooses the objectives;

ii) The administrator (objective setter) focuses his attention on marginal or incremental values"

It is argued that whether the administrator is aware of it or not, he does not find general formulation of objectives helpful and in fact makes specific marginal or incremental comparisons.

In the example cited above, it is suggested by Lindblom that the only values relative to the choice of policy (or overall objectives) are the incremental values achievable on E and F. This sets or defines the objective(s).

It is further argued that for complex, problem situations (which some marketing and advertising situations are claimed to be), there are not clear cut, analytical ways of resolving or unravelling them. The 'root' approach to objective setting is not therefore possible whereas the 'branch' method is. The manager does not therefore need to try to analyse everything, only those aspects that differ at the margin. In this way the need for information on objectives and their setting is reduced and the ability to grasp the essential problems is better, it is suggested.

If one accepted this approach would it be possible to decide whether a wise or foolish choice had been made if no prior values or objectives had been set against which to judge? Lindblom argues that in the 'comprehensive', 'root'
method a decision is said to be 'good' or 'correct' if it can be shown to attain a specific objective, where the objective can be specified without simply describing the decision itself. To show a policy is mistaken in the 'branch' method the decision maker must argue that another policy is more preferred at the margins.

Where Lindblom's analysis seems to carry most weight is for the situation where administrators cannot agree on objectives. In the 'branch' approach the test of a satisfactory policy is agreement on it, which is possible even when agreement on objectives is not. One manager's objectives can turn out to be another's means to another end. Agreement on policy then is the vital task - to seek to win everyone over to one (set of) objective(s) is not necessary and may introduce controversy, asserts Lindblom. He also notes that if it is thought that this is a poor substitute for testing a policy against a set of objectives then it must be remembered that the objectives themselves have no ultimate validity - other than they have been agreed upon.

"The method of 'limited comparisons' involves only considering those (objectives or policies) that differ a small amount from those currently in practice ..... A wise policy maker ..... expects that his policies will achieve only part of what he hopes ..... if he proceeds through a series of incremental changes he avoids serious, lasting mistakes in several ways: past sequences give him experience of consequences - he does not need big jumps and therefore big predictions; he can test previous predictions as he goes along."

Lindblom feels that if one just needs to choose between alternatives then all that is necessary is to mobilise knowledge sufficient to assist in this choice: this can be achieved by the method of comparative analysis of the results of previous similar moves. He asserts that attempts to rely on theories of how the total process (market, consumer) works are "greedy for facts, and are often insufficiently precise for practice where the process just moves through small changes".
While agreeing with much of what Lindblom has to say on this subject, it can be concluded that in many respects he is reinforcing the need for advertising objectives to be separated from marketing objectives. Unless one defines them as specific, sub-objectives one will be subject to the difficulties Lindblom points out. In order not to have to follow the 'branch' method, as he describes, one must accept marketing objectives as a given set of conditions - right or wrong. If advertising considerations influence marketing objectives one is creating a 'tail wagging the dog' situation and the problems of setting objectives for both become akin to those described by Lindblom.
Summary and Conclusions

This review has examined the need for setting, clear definitive objectives for all aspects of an advertising programme. It has also considered the difficulties and methods of implementing this practice.

The advantages of adopting this practice would seem to be clear: it allows all concerned with advertising activities to focus their contribution towards helping to achieve the objectives. Similarly it allows meaningful and constructive evaluation of advertising. It is not suggested that this practice of objective setting will solve all of advertising's many conundrums; a clear cut statement of advertising goals facilitates, although it cannot resolve, the complex decision problems still remaining in putting together an advertising programme.

Some Advantages

Some of the advantages of setting clear, precise advertising objectives which stem from, but are complementary to, market objectives are:

- It ensures that advertising is integrated with other market mix elements
- It ensures that management are aware of the assumptions that may be being made and hence are aware of the degrees of risk
- It helps the advertising (and research) agency prepare and evaluate relevant plans for advertising practice
- It assists in determining budgets
- It aids the appraisal of advertising plans and control of ongoing situations by top management
- It permits meaningful measurement

Main Considerations

A useful way of summarising some of the main considerations in setting advertising objectives is under the system:

<table>
<thead>
<tr>
<th>WHAT</th>
<th>WHY</th>
<th>WHO</th>
<th>HOW</th>
<th>WHEN</th>
</tr>
</thead>
</table>

WHAT - what role in the total marketing effort is advertising expected to fulfil?
WHY - why is it believed that advertising can achieve this role - what evidence is there for this, what assumptions are necessary?

WHO - who should be involved in setting objectives, who should be responsible for agreeing the objectives, co-ordinating their implementation and subsequent evaluation? Who are the audience?

HOW - how are the advertising objectives to be put into practice - what are the precise sub-objectives and how are they intended to be attained (and subsequently evaluated for level of achievement?)

WHEN - when is the implementation for various parts of the programme to be achieved? When can response be expected to each stage of the implementation?

A Summary of General Areas of Objectives and Evaluation

In order to indicate the various areas in which advertising objectives have to be set, the following table sets these out together with the general procedures or method areas which are used to evaluate them.

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>EVALUATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposure</td>
<td>Media Research</td>
</tr>
<tr>
<td>Attention/Communication</td>
<td>Recall and Comprehension (pre &amp; post)</td>
</tr>
<tr>
<td>Change in Information used for Decision Making</td>
<td>Scaled Questions on Attitudes</td>
</tr>
<tr>
<td>Change in Buyer Behaviour</td>
<td>Panels, Validated Questions, Experiments</td>
</tr>
</tbody>
</table>

An analysis of the validity of the various methods that can be used to evaluate the degree of achievement of advertising objectives will be part of the next phase of the MCRU’s work. The important first step, however, is the establishment of the objectives.
THE INFORMATION GATHERED AND ANALYZED FOR THIS REPORT

It has been indicated in the first section of the report, that the information gathered from companies should cover very much more than their advertising decisions. Some of the topics pursued can be summarised as follows.

- Market behaviour before, during and after the campaign being studied, paying particular attention to those aspects which the company feels to be important influences on the market.

- The product or service history during the period being studied, looking for changes in the marketing mix elements, e.g. price pack, product, and competitive preference test results.

- Marketing objectives and their derivation.

- Advertising objectives and their derivation.

- Beliefs in the way advertising works in the market in which the product or service is found.

- Advertising and other promotional activities for the product or service.

- The degree of interconnection between all promotional activity and management control.

- The planning horizon for campaigns and the influences which dictate this.
- The methods of determining advertising budgets.

- Media weight tests, why they were run and with what result.

- The reasons for media selection.

- The reasons for frequency of exposure of advertisements.

- The criteria used for judging 'wearout'.

- The existence of 'threshold' expenditure levels in various media.

- The criteria used for regional allocation of advertising weight.

- The data and information sources used to set marketing and advertising objectives and to monitor progress.

- The value and purpose of pre-testing advertisements.

- The role of the advertising agency.

- The role of in-company specialists, such as research workers and media controllers.

- Research activities and their findings, as they relate to either the market or else to the product or service.

- The management responsibility for advertising; who has to give ultimate approval before any advertising can be shown.
A Unique Approach

Perhaps the reason for collecting so much information, which is not directly linked to the ways in which different companies advertise, needs some explanation. This can best be done by comparing the approach to the study of Advertising Effectiveness taken by the MCRU, with that of previous studies in the area. The large scale studies which have been carried out elsewhere for the purposes of studying advertising effectiveness, have concentrated more directly on the activities specific to advertising. They have collected data on the various advertising inputs, and have linked these inputs to the apparent results which they have achieved in the market place. In short, other studies have exclusively tried to determine the direct relationship between advertising and market place reaction, and have paid little or no attention to the environment in which the whole process was taking place. This has meant that the studies have not been undertaken for the purpose of understanding why an individual advertising or promotion campaign has been run.

Most other studies of advertising effectiveness, in effect, have ignored the fact that different objectives are set in different situations, and that the results expected from campaigns differ accordingly.

In contrast to this, the MCRU feel that it is essential to understand to the greatest extent possible, just why certain advertising and promotional activity is instigated, for without such understanding it is difficult to know whether or not a particular campaign has been successful. By collecting such a variety of information, it should make the task of understanding the whole process that much easier.
Comparative Approach

A further point which needs to be made is that a comparative approach can be very useful in aiding understanding. The way in which the NCRU sample has been constructed means that activities in one market situation, or company, can be compared with those in another. The fact that two companies opt to do something different when in a similar market situation, is an interesting fact, but by itself it does not tell anyone very much. By knowing so much more about the environment in which the advertising decisions are being taken, however, it may well be possible to explain the differences. Such a comparative approach should help indicate the range of specific effects of advertising and set guidelines for particular situations. This will be especially true when the information on all the research plan (i.e. including that on pre-testing and evaluation measurements), has been collected and assimilated. Diagram 3 illustrates the process to be adopted.

Diagram 3.

THE FRAMEWORK FOR ANALYSING INFORMATION ON THE VARIOUS EXAMPLES

<table>
<thead>
<tr>
<th>Selected Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Situation</td>
</tr>
<tr>
<td>n cases</td>
</tr>
<tr>
<td>Marketing Objectives</td>
</tr>
<tr>
<td>Advertising Objectives</td>
</tr>
<tr>
<td>Advertising Evaluation</td>
</tr>
</tbody>
</table>


Information Collection

A word needs to be said about the manner in which the information has been collected. All of the Sponsor companies have shown themselves willing to devote executive time to discussing the project, and the MCRU felt that this was an opportunity not to be overlooked. Because of the cooperation received in the past, it was decided that the bulk of the information would be gathered in an interview situation. As far as possible the opinions of two people were sought on each product or service situation. As a rule this turned out to be the marketing or brand manager responsible for the product/service, and the marketing researcher who either designed the necessary research, or else liaised with the agency undertaking it. By gathering the two points of view it was felt that some of the inevitable bias of the interview situation would be reduced. The interview procedure was also used because much of the information sought by the unit was not readily obtainable from a questionnaire. It is particularly difficult to understand why a particular action was adopted simply from asking for a short, written response. A great breadth of information can be gained from an interview, and for this reason the MCRU primarily relied on it for its main data.

It is known however, that in an open-ended interview situation it is not always possible to obtain precise answers on certain points. Also, it is quite possible for those conducting the interview to either miss a point, or else interpret it incorrectly. It was for the purposes of ensuring consistent information across companies, and for clarifying and updating certain points, that a supplementary questionnaire was sent to all companies.
The information gathered by the supplementary postal questionnaire was as follows:

- How many products are there, competing in the same market?
- How competitive is the total market seen to be?
- What proportion of the total market is taken by "own label" products now, and what was this figure three years ago?
- How does the quality of the "own label" products compare with that being offered by the company?
- What is the price difference between the "own label" products and that offered by the company?
- What is the average retail price of the product offered by the company?
- What is the ratio of above-the-line to below-the-line expenditure for the product, both now and three years ago?
- What is the total size of the market in which the product is being offered, and what was its size three years ago?
- What type of product is it which the company is offering - an old established product, an additional market entrant, an innovative product, a neo-commodity product, or can it best be described by some other term?
- How well does the product compare with that offered by competitors in a blind test situation, in a branded situation, and in the opinion of the company?
- What is the level of distribution for the product?
- Is the product particularly subject to seasonal sales?
- What is the advertising: sales ratio now, and what was it three years ago?
- How frequently is the product purchased?
- How brand loyal are consumers in the particular market?
- What is the minimum expenditure to advertise the product on television?
- Is the decision to change from advertising on television to advertising in the press and with posters, a function of the amount of the advertising appropriation available?
- How is advertising believed to work for the particular product? A list of 24 possible ways is given, although additional comments were sought from the respondent.

- The objectives for the particular campaign being studied are also checked for their accuracy.

In the list given above only products have been referred to. As far as possible those who offer a service have been asked identical questions. However, in some circumstances this is not realistic, necessitating a change in the emphasis of the questions.

A short additional questionnaire was also completed by each sponsor which specified some of the overall activities of the company. Such aspects covered were company turnover and profits over a 6 year period, total media advertising on all products over the same period and consumer research capabilities. The full list of questions asked is detailed in Appendix 2, where an analysis of some general findings related to overall advertising activities is presented. This additional knowledge enabled the MCRU to view the individual products in the light of the total company environment, which is consistent with the research plan as depicted in Diagram 1.

Before turning to the findings from the analyses the sample used will be described.
THE SAMPLE

Having taken the decision to collect information on a product or service specific basis, the MCRU set about deciding which products or services would help create a suitable sample for further study. For this purpose great reliance was placed on the information collected during the first series of interviews in each of the Sponsor companies. Products or services were chosen where:

1. The market situation was known, and where it was felt able to contribute to the sample. By this it is meant that an effort was made to ensure that a number of market situations were represented in the sample, and that each market situation had a number of products or services in it. To have a number of cases in each category would provide a broader base on which to draw conclusions. If only one product could be found to represent the market situation it would mean that no conclusions could be drawn since there would be no way of knowing to what degree the product might be typical.

2. Products or services were chosen where it was known that substantial documentation about the product and the market existed. This was felt to be important because the later stages of the research would rely on documented material. This material could take the form of such things as sales information, market share data, research findings, competitive activities or else a general description of the market. A further point making documented material essential was that change of the company employees meant that some people did not have first-hand knowledge about the product or service over a sufficiently long time period. Where a brand manager or researcher moves and no documentation exists, it can be difficult to gain adequate information about the product.
3. Products were chosen where it was known that some supportive research had been undertaken - this would include pre-testing, general ad hoc research such as usage and attitude studies, and syndicated data such as that gained from the panels and retail audits. It was felt important to take into account such research activities simply because they help clarify the reasons why particular decisions are taken.

The sample being used in the present study is not envisaged to be the basis for making a definitive statement of what objectives are appropriate in any set of circumstances. However it is felt that the examples chosen are representative of many basic marketing and advertising situations and that the MCRU's analysis in depth will allow guidelines to emerge for the general categories selected.

Details of the characteristics which describe the product and service examples chosen are given on the following pages and in Appendix 1.
A listing of the products and services selected for the sample is given below:

<table>
<thead>
<tr>
<th>Product or Service being Studied</th>
<th>Sponsor Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ribena</td>
<td>Beecham Products</td>
</tr>
<tr>
<td>Brylcreem</td>
<td>Beecham Products</td>
</tr>
<tr>
<td>All Fresh</td>
<td>Beecham Products</td>
</tr>
<tr>
<td>Petroleum Products 'Alaskan Campaign'</td>
<td>BP</td>
</tr>
<tr>
<td>'Travel to the U.K.'</td>
<td>British Tourist Authority</td>
</tr>
<tr>
<td>Marvel</td>
<td>Cadbury Schweppes</td>
</tr>
<tr>
<td>Smash</td>
<td>Cadbury Schweppes</td>
</tr>
<tr>
<td>Chillo</td>
<td>Cadbury Schweppes</td>
</tr>
<tr>
<td>Knorr Soup</td>
<td>C.P.C. (U.K.)</td>
</tr>
<tr>
<td>Mazola</td>
<td>C.P.C. (U.K.)</td>
</tr>
<tr>
<td>Solid Fuel</td>
<td>National Coal Board</td>
</tr>
<tr>
<td>* Pony Slippers</td>
<td>Dunlop</td>
</tr>
<tr>
<td>* Petrol - 'Tiger Campaign'</td>
<td>Esso</td>
</tr>
<tr>
<td>* Petrol - Autumn 1972</td>
<td>Esso</td>
</tr>
<tr>
<td>Soup</td>
<td>Heinz</td>
</tr>
<tr>
<td>Baked Beans</td>
<td>Heinz</td>
</tr>
<tr>
<td>J Cloth Cloths</td>
<td>Johnson &amp; Johnson</td>
</tr>
<tr>
<td>Quick Brew Tea</td>
<td>Lyons-Tetley</td>
</tr>
<tr>
<td>Tetley Tea Bags</td>
<td>Lyons-Tetley</td>
</tr>
<tr>
<td>Lyons Cakes</td>
<td>Lyons Bakery</td>
</tr>
<tr>
<td>* Instant Coffee</td>
<td>Nestlé</td>
</tr>
<tr>
<td>Sweetheart</td>
<td>Nestlé</td>
</tr>
<tr>
<td>* Electric Razors</td>
<td>Philips</td>
</tr>
<tr>
<td>Homepride Flour</td>
<td>Spillers</td>
</tr>
<tr>
<td>Kennomeat</td>
<td>Spillers</td>
</tr>
<tr>
<td>V.P. Sherry</td>
<td>Vine Products</td>
</tr>
<tr>
<td>Watneys Red</td>
<td>Watney Mann</td>
</tr>
<tr>
<td>Bierritz</td>
<td>Watney Mann</td>
</tr>
<tr>
<td>Bisto</td>
<td>RHM Foods</td>
</tr>
<tr>
<td>Pastry Mix</td>
<td>RHM Foods</td>
</tr>
<tr>
<td>VW Beetle</td>
<td>VW (G.B.)</td>
</tr>
<tr>
<td>Audi 80</td>
<td>VW (G.B.)</td>
</tr>
</tbody>
</table>

* At the time of writing, it was not possible to include these products in the analysis presented in this report.
Throughout the analysis products and services in the sample will be referred to by letter. To help interpretation of the analysis, some guide to the products and services will be given; namely the size of the total market, the type of product, the number of branded competitors in the market, how competitive the market is, the frequency with which the product is bought, and the extent of 'own label' activity in the market, where appropriate. (Table 1)

In Table 2, the broad advertising objectives for each product are given.
<table>
<thead>
<tr>
<th>Product or Service</th>
<th>Size of Total Market</th>
<th>Type of Product (see page 61)</th>
<th>No. of Branded Competitors</th>
<th>Degree of Competition</th>
<th>Frequency of Purchase</th>
<th>Own Label Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4</td>
<td>old established product</td>
<td>6</td>
<td>4</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>B</td>
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</tbody>
</table>

**Degree of Competition**

5 - extremely
4 - very
3 - competitive
2 - not very

**Frequency of Purchase**

7 - extremely
6 - very
5 - frequently
4 - neither/nor
3 - infrequently
2 - very infrequently
1 - extremely infrequently

**Own label share**

1 - less than 10%
2 - between 11 & 30%
3 - over 30%

**Size of Market**

1 - up to £5m.
2 - £5.1-£10m.
3 - £10.1-£40m.
4 - £40.1-£100m.
5 - over £100m.
<table>
<thead>
<tr>
<th>Product Identification</th>
<th>Messages</th>
<th>Branding &amp; Image Building</th>
<th>Information</th>
<th>Attitudes</th>
<th>Awareness</th>
<th>Trial</th>
<th>Loyalty</th>
<th>Reminder</th>
<th>Motivate Enquiries</th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>messages</td>
<td>branding etc.</td>
<td>loyalty</td>
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</table>

For a fuller definition of the broad categories of advertising objectives see page 48 et seq.
SECTION 4A  THE METHOD OF ANALYSIS

The question of interest is whether or not product situations that have similar advertising objectives have anything in common; are there characteristics which distinguish them from those not adopting the objective, and what can be learnt from this? In the present report it was only possible to consider 27 products and services. Other cases will be built into the analysis in due course.

The stages of the analysis were as follows:

1. The questionnaire responses and the information gathered in the interview were tabulated to give comparable data across the sample. Those products and services excluded at this stage were lacking complete data.

2. The MCRU looked for product/service groupings on the basis of similarity between various characteristics. The groups on the following basis appeared to show points of interest:

   - Durable/non-durable product type.  
   - The market type.  
   - The market situation type.  
   - The Phase of the product life cycle.  
   - The extent of defensiveness or offensiveness of the product situation.  
   - The A/S ratio and market type.  
   - The media advertising expenditure.  

Table 5  
Table 6  
Table 7  
Table 8  
Table 9  
Table 10  
Table 11

What is meant by each of these terms, is explained in the respective table. Other possible criteria for grouping and subsequent analysis were examined but with less clear conclusions and are not included in this report.
3. Within each grouping the advertising objectives used were tabulated to see whether a rationale could be seen between the market or product situation and the objectives adopted. Advertising objectives for each product were categorised according to nine broad objective types, defined by the MCRU. These advertising objectives are listed on page

Where any patterns between advertising objectives and product or market situation exist attention is drawn to them at the foot of each table.

4. Having looked from market and product characteristics to advertising objectives, the final stage of the analysis was to reverse the process and consider all products and services having similar objectives in common.
SECTION 4B. DEFINITION OF TERMS

Defining Advertising Objectives

One of the difficulties in studying the ways in which companies set their advertising objectives is the use of terms. To draw a rigid line between advertising and marketing objectives is not always possible, and the confusion which exists in the matter of definition was apparent in the questionnaire response apertaining to advertising objectives for each product.

The objectives given by the Sponsor companies formed nine categories when grouped according to similarity.

<table>
<thead>
<tr>
<th>Frequency of Mention</th>
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<tbody>
<tr>
<td>To convey particular MESSAGES</td>
</tr>
<tr>
<td>To create BRANDING &amp; IMAGE BUILDING</td>
</tr>
<tr>
<td>To convey INFORMATION (distinguished from MESSAGES by the more factual and objective bases)</td>
</tr>
<tr>
<td>To affect ATTITUDES</td>
</tr>
<tr>
<td>To create AWARENESS</td>
</tr>
<tr>
<td>To gain TRIAL</td>
</tr>
<tr>
<td>To affect LOYALTY</td>
</tr>
<tr>
<td>To act as a REMINDER</td>
</tr>
<tr>
<td>To MOTIVATE ENQUIRIES (used in a direct response situation)</td>
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</tbody>
</table>

To explain what is incorporated in each of these, the list which follows gives the phraseology used in connection with the individual product or service in the sample.
TABLE 3  ADVERTISING OBJECTIVES

Objectives Related to Awareness

- to inform people the product exists
- to gain or regain awareness
- to create or recreate awareness
- to buy awareness
- to create awareness in a specified section of the market

Objectives Related to Trial

- to gain trial
- to tempt people to try the product
- to stimulate trial
- to gain trial
- to gain trial among a specified section of the population

Objectives Related to Education/Informing

(distinguished from MESSAGES because of their more factual objective bases)

- to educate people to the use of the product/ an additional use of the product
- to educate people to the serving of the product
- to communicate a particular change in the product
- to show the multiple uses of the product
- to announce the variety availability
- to establish the varieties available
- to demonstrate the convenience of the product
- to give factual information about the product
- to show people how to get the best performance out of the product
**Objectives Related to Attitudes**

- to reinforce the early favourable attitudes
- to make attitudes more favourable to a particular product
- to sustain favourable attitudes
- to improve a particular attitude to the product
- to establish favourable attitudes
- to modify existing attitudes
- to improve existing negative attitudes
- to enhance certain attitudes in the target population

**Objectives Related to Loyalty**

- to retain loyal customers
- to encourage loyalty
- to keep building loyalty

**Objectives Related to Reminding**

- to remind people that the product exists

**Objectives Related to Branding/Image Building**

- to build an image for the product
- to improve the image of the product
- to establish the product as unique
- to establish the brand and position it in a particular way, e.g. as warm and friendly
- to retain a product quality image
- to maintain a favourable image of the product or manufacturer
- to create a brand leader in a particular market
- to create an image equal to that of the main competitor
- to establish branding
- to gain general image improvement
- to promote the corporate image and the qualities associated with the company products
- to advertise the brand
- to associate a product with the manufacturing company
- to create the right impression of the company among a particular section of the population
- to position the product for an additional section of the market
- to reassure existing users of the product
- to retain and reassure existing users of the product

Objectives of Conveying a Specific Message

- to say that the product has a particular quality
- to establish particular associations with the product
- to convey the idea that the product is "value for money"
- to get across the idea that the product tastes good
- to support the taste and quality claim for the product
- to convey the idea of a "modern" product/one which is used by "modern" people
- to state the advantages of the product compared with the competition
- to get across the idea of a unique product
- to get across the "newness" of the product
- to say how much people like the product
- to convey a particular theme, e.g. real fruit
- to create warmth and friendliness for the product
- to emphasize the goodness of the product
- to convey the taste of the product
- to say something of the manufacturer
- to give the consumer a reason for buying the product
Objective of Motivating Enquiries

- to motivate enquiries (direct response operations)

Marketing Objectives

In addition to the objectives listed above, others were given which the MCRU authors do not feel to be advertising objectives when considered without some qualifying statement.

The distinction which has been imposed is that advertising objectives must be achieved through advertising alone. In practice it is probable that advertising will be just one part of a co-ordinated marketing effort, but nevertheless it could succeed in achieving its specific objectives in isolation. In contrast to this, the marketing objectives do not necessarily rely on the use of advertising for their success, and in any event, could not be achieved through advertising alone. One example is the objective "To increase market share". Although listed by some as an advertising objective, this could be achieved without recourse to media promotion, and would be difficult to achieve through media advertising alone. Such an objective is very global, and is not sufficiently refined to be an operational advertising objective. Only by qualifying the objective in advertising terms could it be accepted as an advertising objective.
The objectives we consider to be marketing rather than advertising, are as follows:

**Market Share Objectives**

- to increase market share
- to contain the market share of competitors
- to maintain market share/retain market share
- to improve market share in a particular sector of the market
- to improve market share compared with competitors
- to retain sales volume and market share

**Penetration/Distribution Objectives**

- to improve penetration and distribution
- to maintain brand distribution
- to increase penetration

**Total Market Objectives**

- to expand the whole market

**Sales Objectives**

- to achieve the sales budget
- to improve sales

**Influence On Buyer Behaviour Objectives**

- to win back previous product users who have defected to a competitive product
- to stop existing users turning to a competitive product
- to increase sales among existing users
- to retain existing users
Buyer Behaviour Objectives

- to improve the frequency of purchase
- to gain new users
- to create a market for the product
- to grow in a particular sector of the market
- to bring more users into the market/an additional section of the population into the market
- to expand the market by reducing the seasonality of the product
- to influence non users of the product
- to create a brand leader to help the launch of additional products at a future date

Objectives Relating To 'Own Label' Products and New Market Entrants

- to defend the brand against 'own label' products
- to keep 'own label' products at bay
- to contain the growth of 'own label' products
- to keep new entrants out of the market

Number of Objectives Per Product

Of the nine categories of advertising objectives the number specified for any individual product or service varies between one and five. It is noticeable that where four or five objectives have been given, the products are either new, or else have undergone a significant reformulation and have been relaunched. In contrast, those giving one or two objectives are old established products where very little product alteration has taken place. Another general point is that for 18 of the 27 products and services, marketing objectives as we have defined them, were included in the stated advertising objectives.
How Advertising Works and Advertising Objectives

Before turning to the detailed analysis of this data, it might be useful to consider how respondents felt advertising worked in relation to their individual product or service. In Diagram I it is suggested that the way in which advertising objectives are set will reflect the way in which it is felt advertising works. Consideration of the objectives and the way advertising works strongly supports this relationship, e.g. where gaining awareness has been set as an objective, it is probable that the respondent has said advertising can work by creating awareness.

The listing which follows has been divided in a similar manner to the advertising objectives listing. Including a section more relevant to marketing, six different, overall ways have been isolated in which respondents felt advertising worked in their particular markets.

<table>
<thead>
<tr>
<th>TABLE 4 HOW ADVERTISING WORKS</th>
<th>FREQUENCY OF MENTION</th>
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<tbody>
<tr>
<td>ENCOURAGES FAVOURABLE ATTITUDES TOWARDS THE PRODUCT</td>
<td>26</td>
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<tr>
<td>EDUCATES &amp; INFORMS</td>
<td>25</td>
</tr>
<tr>
<td>REASSURES</td>
<td>24</td>
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<tr>
<td>MARKETING ?</td>
<td>21</td>
</tr>
<tr>
<td>CREATES AWARENESS</td>
<td>19</td>
</tr>
<tr>
<td>IMMEDIATE IMPACT ON BUYER BEHAVIOUR</td>
<td>16</td>
</tr>
<tr>
<td>JOGS PEOPLES MEMORY</td>
<td>13</td>
</tr>
</tbody>
</table>
Encourages Favourable Attitudes Towards The Product

Advertising helps form attitudes towards new products
Advertising creates an environment which encourages a purchase to be considered
Advertising creates brand loyalty
Advertising builds goodwill to both the product or service and the company
Advertising encourages favourable attitudes towards the product or service

Educates & Informs

Advertising imparts information about the product or service
Advertising educates the consumer to uses of the product or service
Advertising is accumulative in its effect
Advertising creates a medium term response
Advertising creates a long term response
Advertising helps prevent the product being regarded as a commodity

Reassures

Advertising reassures the existing consumer that the right choice is being made, renews confidence in the product or service to actual and potential customers
Advertising reassures other groups, e.g. retailers, own salesmen
Advertising can create a "halo effect" between a company and its products and vice versa

Marketing? (processes felt to be more marketing than advertising)

Advertising affects market share
Advertising improves distribution
Advertising keeps "own label" products at bay
Advertising motivates the sales force
When used to back other promotional activities, advertising enhances their affect
Creates Awareness

Advertising creates awareness

Immediate Impact on Buyer Behaviour

Advertising stimulates an immediate response
Advertising can bring the date of purchase forward
Advertising encourages trial
Advertising creates an immediate response

Jogs Peoples Memory

Advertising jogs peoples memory that the product or service exists or acts as a reminder

General Findings

The ways in which advertising is thought to work was compiled from the questionnaire responses. Twenty four possible ways were listed, and the option of others to be added was given. This list was derived from comments made to the MCRU in the previous interview situation. Consequently it was felt to reflect the views of the sample.

Comparing the ways in which advertising was said to work and the advertising objectives in the sample, several things are apparent:

a) When the way in which advertising is thought to work is compared with the advertising objectives for the product or service, one reflects the other considerably. Of the 46 advertising objectives which could be reflected in the way advertising works, it was so in 38 cases.
b) It was not possible for two categories of objectives to be reflected in the way advertising works. The objectives concerned were "messages" and "branding and image building". No equivalent for these was found in the replies to questions on how advertising works.

c) In 21 of the 27 cases, processes more akin to marketing were included in the statement of how advertising works.

SECTION 4C ADVERTISING OBJECTIVES RELATED TO PRODUCT OR MARKET TYPE

In the tables which follow, the groups of products which have been identified as being similar have been listed, and the advertising objectives found for each of them given. In all cases, the basis for the grouping is defined.
### Table 5
**Advertising Objectives According to Durable/Non-Durable Product Type**

<table>
<thead>
<tr>
<th>Number in Group</th>
<th>Advertising Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durables G,Q,Z,Al</td>
<td>3 x information, 3 x attitudes, 2 x awareness, 1 x branding and image building, 1 x motivate enquiries</td>
</tr>
<tr>
<td>Non-Durables A,B,C,D,E,F,H,I,J,K,L,M,N,O,P,R,S,T,U,V,W,X,Y,Al</td>
<td>15 x messages, 14 x branding and image building, 10 x information, 7 x attitudes, 6 x awareness, 5 x loyalty, 5 x trial, 2 x reminding</td>
</tr>
</tbody>
</table>

**Durables**

- All have 10 or more competitors in the market.
- All cost £20. or over.
- All are in very large total markets of £40.m. or over.
- All have a degree of seasonality in their sales.

3 of the 4 have an above-the-line expenditure of 80-100% of the total of promotional expenditure (above+below-the-line).

3 of the 4 are in markets expanding by more than 5% p.a.
<table>
<thead>
<tr>
<th>Type of Market</th>
<th>Number in Group</th>
<th>Advertising Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Established Products A,B,G,H,I,J,M,N,O,P,Q,U,Y,Al</td>
<td>14</td>
<td>7 x messages 7 x branding and image building 6 x attitudes 4 x information 4 x loyalty 3 x awareness 1 x motivates enquiries 1 x trial</td>
</tr>
<tr>
<td>Additional Market Entrants V,W,Z.</td>
<td>3</td>
<td>2 x awareness 2 x information 2 x branding and image building 1 x attitudes 1 x messages 1 x messages</td>
</tr>
<tr>
<td>Innovative Products K,L,R,S,X.</td>
<td>5</td>
<td>4 x information 3 x messages 3 x branding and image building 2 x awareness 2 x trial 2 x attitudes 1 x reminding</td>
</tr>
<tr>
<td>Relatively New Products C,D,T.</td>
<td>3</td>
<td>3 x messages 3 x information 2 x branding and image building 1 x reminding 1 x loyalty 1 x trial</td>
</tr>
<tr>
<td>Noc-Commodity Products E,F.</td>
<td>2</td>
<td>1 x awareness 1 x trial 1 x attitudes 1 x messages 1 x information 1 x branding and image building</td>
</tr>
</tbody>
</table>
The advertising objectives for durable goods do not include:

- messages
- loyalty
- trial
- reminding

It is also noticeable that there is only one mention of branding and image building for the durable products.

The particular emphasis of advertising objectives for durable goods would appear to be that of giving information and influencing attitudes.
An old established product: a product which has been in the market for some years, without undergoing a major product reformulation.

An additional market entrant: a product which has been launched into a market where one or more products already exist. This would include those products which have been significantly reformulated and relaunched.

An innovative product: a new product which is also a new concept, creating a new market or establishing a new need in the market place. The existing brand relaunch is excluded from this category.

A relatively new product: an innovative product which has been in the national market for more than one year.

A neo-commodity product: a product which the consumer treats as a commodity. Such products are characterized by frequent purchase and little brand loyalty.

It will be seen from the table that, although all groups have advertising objectives of conveying messages and information, it is noticeable that these are more common for the innovative and relatively new products. It is in these groups that conveying more factual information is important, whilst messages are more important for the old established products.

In four of the five cases where loyalty is posed as an advertising objective, it is stated for the old established products. It is also in this group that the objective of influencing attitudes is particularly pronounced.

For the two neo-commodity products, there is no duplication of objectives. This would be in keeping expectations from the product life cycle.
<table>
<thead>
<tr>
<th>Market Situation Type *</th>
<th>Number in Group</th>
<th>Advertising Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markets in which there are major new products K,L,R,S,V, W,X,Z.</td>
<td>8</td>
<td>6 x information 5 x branding and image building 4 x awareness 4 x messages 3 x attitudes 2 x trial 1 x reminding</td>
</tr>
<tr>
<td>Small markets for established products. H,I,M,N,O</td>
<td>5</td>
<td>5 x messages 3 x branding and image building 1 x awareness 1 x trial 1 x attitudes 1 x loyalty</td>
</tr>
<tr>
<td>Growing markets A,C,D,J,Q,T, Y,A,I</td>
<td>8</td>
<td>5 x information 4 x messages 4 x branding and image building 4 x attitudes 2 x loyalty 2 x awareness 1 x trial 1 x reminding.</td>
</tr>
<tr>
<td>Large, established markets U.</td>
<td>1</td>
<td>1 x loyalty</td>
</tr>
<tr>
<td>Large and/or declining markets B,G,P.</td>
<td>3</td>
<td>2 x branding and image building 1 x information 1 x attitudes 1 x motivate enquiries 1 x messages 1 x loyalty</td>
</tr>
</tbody>
</table>

continued/……...
ADVERTISING OBJECTIVES ACCORDING TO THE MARKET SITUATION TYPE  Con't...

<table>
<thead>
<tr>
<th>Market Situation Type*</th>
<th>Number in Group</th>
<th>Advertising Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neo-Commodity markets  E,F.</td>
<td>2</td>
<td>1 x awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x messages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x branding and image building</td>
</tr>
</tbody>
</table>

* New Products Markets

Defined as any market into which a new brand, product or service is launched. It includes both the innovative product and variation on established type. It excludes existing product re-launches.

Small Markets

Defined as those of less than £12m. annual sales revenue which are not growing in volume terms and in which there are normally at most, two major brands or suppliers. Own label products are also usually present.

Growing Markets

Defined as those that have been growing, in volume terms, at more than 5%, relative to the previous year, for several years. These markets often stem from the introduction some years earlier of an innovative product or one which is a major variation of a traditional product.

Large, Established Markets

These are defined, for this study's purpose, as those with greater than £12 m. sales revenue per annum which has been relatively static in sales volume for several years, varying at most 1-2% per annum. These markets are characterised by many competing brands or products and frequent relaunches.
Large, but Declining Markets

Here again the market is defined as being greater than £12m. sales revenue per annum but which has been steadily declining annually in sales volume terms for more than 4 years. Again, this market is normally characterised by many brands or products, with a great degree of competition.

Neo-Commodity Markets

In Report No.1, the MCRU expressed the belief that certain products might be termed neo-commodities. The markets in which these sort of products are sold are characterised by being large, long established ones where distribution, and sometimes price, are the key determinants in the sales, or market share, for any product.

Even when combined together, the large markets and the neo-commodity markets do not form any significantly different pattern in their advertising objectives.

For the markets in which there are major new products, information and branding and image building are prominent. In the case of the small markets for established products, messages and branding and image building are important. For the growing markets, 5 of the 8 products seek to convey information, whilst 4 of them have messages, branding and image building and attitudes as advertising objectives.
<table>
<thead>
<tr>
<th>Phase in the Product Life Cycle</th>
<th>Number in Group</th>
<th>Advertising Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction K,R,S,T,V,Z.</td>
<td>6</td>
<td>5 x branding and image building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 x awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 x information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x messages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x reminding</td>
</tr>
<tr>
<td>Growth</td>
<td>10</td>
<td>7 x messages</td>
</tr>
<tr>
<td>(where the market has grown at 5% p.a. or more over the last 3 years)</td>
<td></td>
<td>5 x branding and image building</td>
</tr>
<tr>
<td>C,R,I,J,M,N, O,X,Y,A1.</td>
<td></td>
<td>4 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x reminding</td>
</tr>
<tr>
<td>Maturity</td>
<td>5</td>
<td>3 x messages</td>
</tr>
<tr>
<td>(markets which are static, or which have been inconsistent with limited growth over the last three years)</td>
<td></td>
<td>3 x information</td>
</tr>
<tr>
<td>A,D,Q,U,W</td>
<td></td>
<td>3 x loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x branding and image building</td>
</tr>
<tr>
<td>Decline</td>
<td>6</td>
<td>3 x branding and image building</td>
</tr>
<tr>
<td>(markets declining now and over the last 3 years)</td>
<td></td>
<td>3 x information</td>
</tr>
<tr>
<td>B,F,G,H,L,P.</td>
<td></td>
<td>2 x awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x messages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x motivate enquiries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x loyalty</td>
</tr>
</tbody>
</table>
**Introduction**

None of the products were in the market three years ago.

All have at least 60% of their total promotional expenditure going on media expenditure.

All the products are in markets which are increasing by more than 5% p.a.

**Growth**

Products in markets where growth has taken place at over 5% p.a. for the last three years.

**Maturity**

Products in markets which are static or which have been inconsistent, or with limited growth, over the last three years.

**Decline**

Products in markets which are declining at the present time, and have been declining over the last three years.

During the introduction period, advertising objectives appear rather more consistent among the products in the group. As might be expected, branding and image building, awareness and information are emphasized.

During the growth period, the chief emphasis is that of conveying messages, whilst half of the products have the objective of branding and image building.

At maturity, the advertising objectives are more evenly spread, with three of the five products opting for messages, information and loyalty.
### TABLE 9

ADVERTISING OBJECTIVES ACCORDING TO THE EXTENT OF DEFENSIVENESS / OFFENSIVENESS OF THE PRODUCT.

<table>
<thead>
<tr>
<th>Defensiveness / Offensiveness</th>
<th>Number in Group</th>
<th>Advertising Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Defensive B,F,G,H,P</td>
<td>5</td>
<td>3 x branding and image building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x messages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x motivate enquiries</td>
</tr>
<tr>
<td>Defensive L,N,U,W,Y</td>
<td>5</td>
<td>2 x information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x messages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x branding and image building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11 x branding and image building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9 x information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 x awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x reminding</td>
</tr>
</tbody>
</table>

**Very Defensive**

If a product could be said to be in a threatened position it might be expected to adopt essentially defensive advertising objectives. In order to examine this hypothesis we have defined a threatened position to be one where:
the market has been declining by at least 5% per annum for the last three years;
the market is thought to be competitive, very competitive or extremely competitive;
own brand product hold more than 11% of the market;
the product in comparison with competitors is either seen as the same or compares infavourably;
brand loyalty is low, to the extent that purchasers either are thought to buy at random or the same product only once in four occasions, on average.

Defensive

Products in more favourable circumstances, would nevertheless still be in a threatened position if the market were not expanding and so could have some element of defense in their advertising. To examine the extension of this, hypothesis we have defined such a position as being where:

the market is, or has been, static in the last 3 years;
the market is thought to be either competitive or not very competitive;
own label products have less than 10% of the market;
the product compares favourably with competitors;
some brand loyalty exists to the extent that the same brand is bought 1 or 2 times in every 4.

Offensive

New products could be expected to be essentially offensive in their advertising strategy. Similarly, all products in expanding markets might be thought to be in a position to capitalise on this and adopt offensive advertising objectives.
<table>
<thead>
<tr>
<th>Position</th>
<th>Market</th>
<th>Competitive</th>
<th>Own Brands</th>
<th>Comparison with Competitive Products</th>
<th>Brand Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Defensive</td>
<td>decline by around 5% p.a., or more</td>
<td>Very to Extremely</td>
<td>above 30% or 11-30%</td>
<td>same or not as good</td>
<td>very low</td>
</tr>
<tr>
<td>Defensive</td>
<td>Static</td>
<td>Yes, or not very</td>
<td>can be less than 10%</td>
<td>favourable</td>
<td>some-same brand up to 50% of time</td>
</tr>
<tr>
<td>Offensive</td>
<td>Growing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Whether the two defensive groups are considered separately, or combined together, the advertising objectives are very random.

For products in the offensive category, emphasis is on messages and branding and image building. Nine of the 13 instances of information as an advertising objective, also appear in this group.
<table>
<thead>
<tr>
<th>A/S * Ratio</th>
<th>No.</th>
<th>Market Type**</th>
<th>Number in Group</th>
<th>Advertising Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>1</td>
<td></td>
<td>8</td>
<td>7 x branding &amp; image building</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>New/ Relaunched Products</td>
<td></td>
<td>5 x information</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td></td>
<td>8</td>
<td>5 x messages</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td></td>
<td>8</td>
<td>3 x attitudes</td>
</tr>
<tr>
<td>B,H,K,R, S,T,V,X.</td>
<td></td>
<td></td>
<td>8</td>
<td>3 x trial</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
<td>Mature, small markets (under £1m. sales) with some growth</td>
<td>7</td>
<td>6 x messages</td>
</tr>
<tr>
<td>C,D,I,L, M,N,O.</td>
<td></td>
<td></td>
<td>7</td>
<td>3 x branding &amp; image building</td>
</tr>
<tr>
<td>2</td>
<td>8</td>
<td>Mature, large markets (over £1m. but less than £100 m)</td>
<td>8</td>
<td>4 x information</td>
</tr>
<tr>
<td>A,F,G,J, P,U,W,Y.</td>
<td></td>
<td></td>
<td>8</td>
<td>3 x attitudes</td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>Extremely large markets (over £100 m.)</td>
<td>3</td>
<td>2 x branding &amp; image building</td>
</tr>
<tr>
<td>E,O,Z.</td>
<td></td>
<td></td>
<td>3</td>
<td>3 x messages</td>
</tr>
</tbody>
</table>

* A/S ratio code:
□ less than 1
□ 1-5
□ 6-10
□ 11-20
□ 21-50
□ 51-70
□ above 70

** Having arranged the sample according to the A/S ratio, the groupings coincided with the following broad market situations or market types:
New or relaunched product situation

Markets into which new products or major product relaunches have been introduced.

The mature small market

Markets of less than £10 m. annual sales turnover, and in which there are predominantly well established or mature products. The markets also have some growth.

The mature, large market

Markets of between £10 m. and £100 m. annual sales turnover, containing predominantly well established and mature products. These markets tend to be growing less than those in the previous two groups.

The extremely large market

Markets of over £100 m. annual sales turnover.

The only really noticeable thing about this table is that 7 of the 8 new and relaunched products, and 2 of the 3 products in the extremely large markets, have the advertising objective of branding and image building. Also 6 of the 7 products in mature small markets, aim to convey messages.
<table>
<thead>
<tr>
<th>Media advertising expenditure</th>
<th>Number in Group</th>
<th>Advertising Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £200,000</td>
<td>8</td>
<td>6 x branding and image building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 x information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x messages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x reminding</td>
</tr>
<tr>
<td>Between £200,000 and £400,000</td>
<td>11</td>
<td>8 x messages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7 x branding and image building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 x information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 x trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x motivate enquiries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x reminding</td>
</tr>
<tr>
<td>Over £400,000</td>
<td>8</td>
<td>4 x information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 x messages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 x loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x branding and image building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 x attitudes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 x trial</td>
</tr>
</tbody>
</table>
Branding & image building and attitudes are particularly pronounced for products and services spending up to £400,000 p.a. on media advertising.

Information as an advertising objective is equally spread among all categories of expenditure level.

Conveying messages as an advertising objective is most important for those spending between £200,000 and £400,000 p.a. on media advertising. Similarly 3 out of the 5 instances of trial appear in this group.

4 of the 5 instances of loyalty as an advertising objective fall in the category spending more than £400,00 p.a. on media advertising.

One point about those spending £200,00 or under, is that six of them are markets where customers buying their brand do so on only 50% of product category purchase occasions,
SECTION 4D  GIVEN AN ADVERTISING OBJECTIVE WHAT DO THE
PRODUCTS AND SERVICES HAVE IN COMMON

Given that there are nine categories of advertising objectives that were adopted for the products in the sample, do products with the same objective have any similar or distinguishing characteristics? Having looked for product and market similarities and subsequently related the emerging groups to the objectives adopted, the reverse analysis was then undertaken. In only two cases were their products with identical advertising objectives. Because the objectives were spread across products, the analysis was undertaken on individual objectives.

Perhaps it is not surprising that the relationship between an objective and the group of products adopting it, was not altogether straightforward. The trends which did emerge, however, will be discussed in turn.

The Advertising Objective to Convey a Message *

- In all cases the products were non-durable. (Table 5).
- All the established products in small markets (Table 7) adopted this objective.
- All the relatively new products and 7 of the 14 old established products had the objective of conveying a message. (Table 6).
- The objective was common for products in an offensive position. (Table 9).
- For those spending between £200,000 and £400,000 on media expenditure, the objective was usual. (Table 11).

If any general conclusion could be drawn from this it would be that the use of messages as an advertising objective is both usual and to be found in many situations. In particular it is used when a product is in a strong position, and when it has passed its introductory phase. This is in contrast to conveying information which is more pronounced among the new products.

* See pp.47-51 for definitions of advertising objectives.
The Advertising Objective of Branding & Image Building

- This objective is almost exclusive to non-durable
  products. (Table 5).

- It is particularly common for new products, and to some
  extent for those which are in growing markets. (Table 7).

- In those situation where up to £400,000 is being spent
  on media advertising, it is usual to try to create
  branding & image building. (Table 11).

- To some extent the objective is adopted by those in an
  offensive market position, and for those which are old
  established products. (Tables 6 & 9).

The Advertising Objective of Conveying Information

It was marked that the wish to convey factual information was
pronounced for products in their introductory stage to the
market.

- It was an advertising objective for 4 of the 5 innovative
  products (Table 6),
  for 6 of the 8 introductory products (Table 7),
  for 4 of the 6 introductory products (Table 8),
  and for 5 of the 8 new and relaunched products (Table 10).

- Those in growing markets often adopted the objective,
  (Table 7).

- Approximately half of those in an offensive market
  position also wished to convey factual information
  (Table 9).

- For 3 of the 4 durable products, information conveying
  was an objective (Table 5).

From the analysis it is evident that the distinction between
messages and information is a valid one, and that the two
have a different role to play in media advertising.
The Advertising Objective of Influencing Attitudes
(adopted by 10 - E,G,H,J,K,Q,S,W,Y,Al.)

Of those products having the objective of influencing attitudes 8 are in markets increasing by more than 5% p.a., and 8 of them have some seasonality in their sales. 3 of the 4 durable products have this objective (table 5), otherwise it is very evenly distributed across groups, however they are formed.

The Advertising Objective of Creating Awareness

- 7 of the 8 products are in total markets which are increasing by more than 5% p.a.
- 6 of the products have some seasonality in their sales.
- 5 of the products compare favourably with their competitors in all situations, i.e. in the blind test, in the branded situation, and in the opinion of the company.
- As would be expected awareness is more common for new products, but it is not used exclusively in this situation. (Table 6).
- Awareness is often used in offensive market situations. (Table 9).
- The wish to create awareness is most common for products where up to £400,000 is spent of media advertising. (Table 11).

In most of the tables presented in section 4C, awareness is spread evenly among product situations.

The Advertising Objective of Gaining Trial
(adopted by 5 - C,F,H,K,R.)

- All of the products have between 4 and 10 competitors in the market.
- 4 of the 5 are in markets which are considered to be either very or extremely competitive.
- 4 of the 5 are in markets where the total is increasing by more than 5% p.a.
- All seeking trial are promoting non-durable goods.
- Although it might have been anticipated that trial would
be an advertising objective for only those launching new
products, this was so in only two cases. A further 2
products with this objective were well established and
in declining markets. (Table 8).

The advertising objective of Gaining Loyalty
(adopted by 5 - A,D,N,P,U.)

Those trying to create loyalty for their products have little
in common. 4 of the 5 are old established products, and 4 of
them are in markets where own label activity accounts for between
11% and 30% of the total market. The fifth product has less
than 10% own label activity.

- In terms of the product life cycle, 3 products are at
maturity, and a fourth on the decline. (Table 8).
- All 5 products are non-durable. (Table 5).

The Advertising Objective of Reminding
(adopted by 2 - T,X.)

The two products having the advertising objective of reminding are:

- offensive (Table 9)
- new/relaunched products (Table 11)
- non-durable (Table 5)

The Advertising Objective of Motivating Enquiries
(adopted by 1 - G.)

This product is characterised by using a direct response in
its advertising.
SECTION 4E  THE SETTING OF ADVERTISING OBJECTIVES

On the basis of MCRU findings on how companies plan and generally manage their advertising, and taking into account how the published material suggests it should be done, it is possible to construct the following guidelines for arriving at advertising objectives:

1. The company corporate objectives are stated.
2. The marketing objectives intended to fulfill or partially fulfill the overall company policies are drawn up.
3. Following from the marketing objectives, clearly defined advertising objectives are set: ones which could be achieved through advertising alone if necessary.
4. The implementation of the advertising objectives:
   - Defining the target population.
   - Determining the budget available/necessary.
   - Commissioning the creative implementation.
   - Deciding the media schedule.
   - Agreeing on the pre-testing and post-evaluation techniques to be employed.

Given precise advertising objectives, it is considerably easier to evaluate the extent to which the ensuing campaign has been successful.
CONCLUSIONS

The report on setting advertising objectives is a necessary step in the work of the MCRU, whose overall intention is to consider the procedures for measuring advertising effectiveness. Without knowing what constitute advertising objectives, what objectives are set, and in what circumstances they are set, there is no benchmark against which to measure advertising effectiveness. Hence this report is very much a means to an end and not a culmination of the work being undertaken.

From the present study what constitutes an advertising objective has been more clearly defined. The distinction which has been drawn is that advertising objectives can be achieved solely through advertising, whereas marketing objectives can be achieved without any recourse to advertising. (See page 51). Since marketing and advertising objectives are closely bound, confusion often exists, both in the literature and in practice, and it was not surprising that such a high proportion of products in the present sample should include marketing objectives in their statement of advertising objectives: 18 of the 27 products and services included marketing objectives, and 21 of the sample felt that advertising worked by influencing marketing criteria. The confusion between the two is also apparent in the reported studies. As an example Majaro said,

"... most companies specify crude objectives, and tend to confuse them with marketing objectives."

The broad categories of advertising objectives identified among the present sample were:

- To convey particular messages
- To create branding & image building
- To convey information (distinguished from messages by the more factual and objective bases)
- To affect attitudes
- To create awareness
- To gain trial
- To affect loyalty
To act as a reminder

To motivate enquiries (used in a direct response situation)

Having identified the objectives for each of the products or services in the MCRU sample, it will be these which are used in the subsequent work on effectiveness measures. In this third year, the MCRU will be gathering data on the responses to each campaign for the products or series in the samples. Analysis of the information will show:

a) the extent to which the advertising objectives were achieved.

b) the techniques which are best suited for measuring whether or not a particular kind of objective has been achieved, and

c) where there is no evidence of an advertising objective being achieved, whether or not the objective could realistically be achieved in the particular situation.

To reiterate the point, the present emphasis on the setting of advertising objectives has been undertaken as a preparatory stage to considering the methods of measuring advertising effectiveness.

Turning to the conclusions which can be drawn on the setting of objectives, a number of points can be made.

- the way in which people believe advertising works in a product situation is heavily reflected in the advertising objectives which are set for that product. Accordingly it is useful to consider this when trying to understand why certain advertising objectives have been set.

- It is noticeable that only two combinations of advertising objectives were held in common by members of the sample—two products had the objectives of conveying messages, and branding & image building, while two tried to influence attitudes, convey messages, and achieve branding & image building. Hence each product or service is in an individual situation and must be analysed as such for advertising effectiveness purposes.

- The sample incorporated in the present study is too small to be the basis of making a definitive statement of what objectives are appropriate in any particular marketing situation, but it does serve the purpose of indicating the this relationship in broad terms.
- Details of the characteristics of products and services having particular advertising objective are to be found in Chapter 4, in Sections 4C and 4D.

Having gained a fuller understanding of what is involved in setting advertising objectives, and in particular for the wide variety of circumstances in the sample, it will now be possible for the MCRU to consider in detail methods of measuring advertising effectiveness.
APPENDIX 1

DETAILS OF THE PRODUCTS AND MARKETS OF THE SAMPLE

Product Types

<table>
<thead>
<tr>
<th>Type of Product</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>An old established product</td>
<td>14</td>
</tr>
<tr>
<td>An additional market entrant</td>
<td>3</td>
</tr>
<tr>
<td>An innovative product</td>
<td>5</td>
</tr>
<tr>
<td>A relatively new product</td>
<td>3</td>
</tr>
<tr>
<td>A neo-commodity product</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>
**Competitive Branded Products**

<table>
<thead>
<tr>
<th>Number of Competitive Branded Products</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 or under</td>
<td>8</td>
</tr>
<tr>
<td>4 to 8</td>
<td>9</td>
</tr>
<tr>
<td>10 or over</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

**Degree of Competition**

<table>
<thead>
<tr>
<th>Degree of Competition</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not very competitive</td>
<td>1</td>
</tr>
<tr>
<td>Competitive</td>
<td>9</td>
</tr>
<tr>
<td>Very competitive</td>
<td>12</td>
</tr>
<tr>
<td>Extremely Competitive</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

**The Proportion of the Total Market taken by "Own Label" Products**

<table>
<thead>
<tr>
<th>% of Market taken by &quot;Own Label&quot; Products</th>
<th>Number of cases now</th>
<th>Number of cases 3 years ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>none</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>less than 10%</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>between 11% and 30%</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>more than 30%</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>
Quality of "Own Label" Products

<table>
<thead>
<tr>
<th>Quality</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>As good as company products</td>
<td>4</td>
</tr>
<tr>
<td>Not quite as good as company products</td>
<td>9</td>
</tr>
<tr>
<td>Inferior to company products</td>
<td>8</td>
</tr>
<tr>
<td>Very inferior to company products</td>
<td>2</td>
</tr>
<tr>
<td>No answer</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
</tr>
</tbody>
</table>

The Average Price Difference Between Branded and "Own Label" Products

The number of products with price differences between them and "own label" products are:

<table>
<thead>
<tr>
<th>up to 1p</th>
<th>up to 2p</th>
<th>up to 3p</th>
<th>up to 4p</th>
<th>up to 5p</th>
<th>up to 8p</th>
<th>up to 10p</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

The average price difference per product, between them and "own labels", based on actual prices is: 3.28p

The Ratio of Above-the-Line to Below-the-Line Expenditure implicit in the Marketing Budget

<table>
<thead>
<tr>
<th>Ratio of Above-the-Line to Below-the-Line</th>
<th>Number of Cases Now</th>
<th>Number of Cases 3 years ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 19</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>20 - 39</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>40 - 59</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>60 - 79</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>80 - 100</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>No answer</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>27</td>
</tr>
</tbody>
</table>
### Movement of the Total Market in Volume

<table>
<thead>
<tr>
<th>Volume Movement</th>
<th>Number of Cases Now</th>
<th>Number of Cases 3 years ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decreasing by more than 5% p.a.</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Decreasing by up to 5% p.a.</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Static</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Increasing by up to 5% p.a.</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Increasing by more than 5% p.a.</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>No answer</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td></td>
</tr>
</tbody>
</table>

### How well does the Product compare with competitors

<table>
<thead>
<tr>
<th></th>
<th>Product Compares Favourably</th>
<th>Product is seen as the same</th>
<th>Product compares unfavourably</th>
</tr>
</thead>
<tbody>
<tr>
<td>In a blind test situation</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>In a branded situation</td>
<td>7</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>In the opinion of the company</td>
<td>14</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>No answer</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td><strong>27</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

### The Level of Retail Distribution

<table>
<thead>
<tr>
<th>Average level of retail distribution</th>
<th>Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 49%</td>
<td>4</td>
</tr>
<tr>
<td>50 - 69%</td>
<td>4</td>
</tr>
<tr>
<td>70 - 89%</td>
<td>9</td>
</tr>
<tr>
<td>90 - 100%</td>
<td>6</td>
</tr>
<tr>
<td>No answer</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>
### Seasonality of Sales

| Products with seasonality in their sales | Number of cases | 18 |
| Products without any seasonality in their sales | 9 |
| **Total** | **27** |

### The Advertising : Sales Ratio

<table>
<thead>
<tr>
<th>Advertising:Sales Ratio</th>
<th>Number of Cases Now</th>
<th>Number of Cases 3 years ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 1%</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>1 - 5%</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>6 - 10%</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>11 - 20%</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>21 - 50%</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>51 - 70%</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>over 70%</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>No answer</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

### Frequency of Purchase

<table>
<thead>
<tr>
<th>Products are purchased:</th>
<th>Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely frequently</td>
<td>2</td>
</tr>
<tr>
<td>Very frequently</td>
<td>1</td>
</tr>
<tr>
<td>Frequently</td>
<td>5</td>
</tr>
<tr>
<td>Neither frequently nor infrequently</td>
<td>6</td>
</tr>
<tr>
<td>Infrequently</td>
<td>3</td>
</tr>
<tr>
<td>Very infrequently</td>
<td>6</td>
</tr>
<tr>
<td>Extremely infrequently</td>
<td>3</td>
</tr>
<tr>
<td>No answer</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>
### When People Buy the Product

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least once a week</td>
<td>6</td>
</tr>
<tr>
<td>At least once every two weeks</td>
<td>4</td>
</tr>
<tr>
<td>At least once a month</td>
<td>5</td>
</tr>
<tr>
<td>At least once every three months</td>
<td>10</td>
</tr>
<tr>
<td>Less frequently than every three months</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

### Brand Loyalty

<table>
<thead>
<tr>
<th>Degree of brand loyalty</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always buy the same brand</td>
<td>3</td>
</tr>
<tr>
<td>Buy the same brand 3 out of every 4 purchases</td>
<td>5</td>
</tr>
<tr>
<td>Buy the same brand 2 out of every 4 purchases</td>
<td>13</td>
</tr>
<tr>
<td>Buy the same brand 1 out of every 4 purchases</td>
<td>3</td>
</tr>
<tr>
<td>Totally without brand loyalty</td>
<td>1</td>
</tr>
<tr>
<td>No answer</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

### Minimum Expenditure Necessary to Advertise on Television

<table>
<thead>
<tr>
<th>Minimum Expenditure</th>
<th>Number of Cases Now</th>
<th>Number of Cases 3 years ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £100,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Between £100,000 and £199,000</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Between £200,000 and £299,000</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Between £300,000 and £399,000</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>More than £400,000</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>No answer</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>
What Would Happen If the Advertising Budget Was Cut To An Amount Below That Necessary to Conduct a Television Campaign.

<table>
<thead>
<tr>
<th>Action</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use other media</td>
<td>14</td>
</tr>
<tr>
<td>Go below-the-line</td>
<td>2</td>
</tr>
<tr>
<td>Advertise in a limited number of television areas</td>
<td>3</td>
</tr>
<tr>
<td>Mixed Response</td>
<td>5</td>
</tr>
<tr>
<td>No answer</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>
APPENDIX 2

SOME DETAILS ABOUT
THE COMPANIES IN THE SAMPLE
<table>
<thead>
<tr>
<th>Items of Overall Company Activity</th>
<th>Average Value</th>
<th>Range of Values</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'72/73  '70  '68</td>
<td>'72/73  '70  '68</td>
<td>'72/73  '70  '68</td>
</tr>
<tr>
<td>Turnover £'m</td>
<td>378  352  273</td>
<td>2000-27 2000-27</td>
<td>1000-17</td>
</tr>
<tr>
<td>Profit  £'m</td>
<td>24.4  23.7  21.7</td>
<td>70-2 10-1</td>
<td>100-0.5</td>
</tr>
<tr>
<td>Media Advertising £'000</td>
<td>1452  1272  1179</td>
<td>6000-400 6000-100</td>
<td>5000-100</td>
</tr>
<tr>
<td>Below-line £'000</td>
<td>1536  1406  1020</td>
<td>4000-60 4000-60</td>
<td>3000-25</td>
</tr>
<tr>
<td>Consumer Research £'000</td>
<td>179  141  160</td>
<td>700-25 600-5</td>
<td>600-10</td>
</tr>
<tr>
<td>Advertising/Turnover (%)</td>
<td>0.47  0.48  0.56</td>
<td>8-0.1 10-0.02</td>
<td>12-0.1</td>
</tr>
<tr>
<td>Advertising/Profit (%)</td>
<td>7.95  7.85  3.50</td>
<td>60-1 90-1</td>
<td>100-1</td>
</tr>
<tr>
<td>Advertising/Below-line (%)</td>
<td>102  102  160</td>
<td>600-25 600-40</td>
<td>1000-40</td>
</tr>
<tr>
<td>Research/Advertising (%)</td>
<td>12.3  11.3  13.0</td>
<td>55-2 170-3</td>
<td>22-2</td>
</tr>
<tr>
<td>Research/Profit (%)</td>
<td>1.0  0.81  0.91</td>
<td>6-1 6-0.06</td>
<td>10-0.03</td>
</tr>
<tr>
<td>No. of Researchers (N)</td>
<td>4.4  3.8  4.1</td>
<td>14-0 14-0</td>
<td>14-0</td>
</tr>
<tr>
<td>Research/N £'000</td>
<td>29  25  18</td>
<td>120-6 120-4</td>
<td>150-4</td>
</tr>
</tbody>
</table>

Notes: Below the line expenditure has been calculated from stated above/below ratios and media expenditure. The data on research department sizes excludes one very large group whose activities are more wide ranging than any other. The varying sample sizes are due to some respondents being unable to complete some questions and because of changes in some company structure over time making consistent figures unavailable.
SOME INDICATIONS OF ADVERTISING AND RESEARCH RESPONSIBILITIES WITHIN THE GROUP OF SPONSORS

<table>
<thead>
<tr>
<th>No. of Companies with:</th>
<th>'72/'73</th>
<th>'70</th>
<th>'68</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Media Controller</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>An Advertising Manager</td>
<td>6</td>
<td>8</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>A Market Research</td>
<td>18</td>
<td>14</td>
<td>12</td>
<td>18</td>
</tr>
</tbody>
</table>

The Media Managers/Controllers were responsible to:

- The Marketing Director Position - 3 cases
- The Marketing Research/Services Position - 2 cases
- A Central Group/Parent company Service - 2 cases

The Market Research Departments were responsible to:

- The Marketing Director position - 6 cases
- The Brand/Marketing Manager position - 1 case
- The Marketing/Operational Services Manager position - 6 cases
- The Strategic/Corporate Planning Manager - 3 cases
- A Board Member with special responsibility - 2 cases
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