RT NO. 3.

THE RESEARCH PLAN FOR 1973
AND
APPRAISAL BY THE
COMMITTEE OF SPONSORS

David Corkindale
Sherril Kennedy

Marketing Communications Research Unit
Cranfield School of Management
1973

CONTENTS

INTRODUCTION

This report presents the Research Plan for 1973 proposed to the Committee of Sponsors prior to its meeting in January 1973. The second part of the report summarises the discussions held during the Sponsors' meeting. These discussions covered consideration of Report Numbers 1 and 2 as well as the Research Plan.

The conclusion of the Sponsors' meeting was that the Research Plan was fully endorsed and consideration was requested for the inclusion of one further topic.

THE CRITERIA USED TO DECIDE ON THE RESEARCH PLAN FOR 1973

The task of opting to put one research proposal forward for discussion, and of putting the many alternatives aside, was not an easy one. Before discussing the proposal, however, it might be useful to outline the main considerations which were borne in mind at the time of evaluating the alternatives.

a) When the project was first suggested to each sponsor company, it was put forward as a study which would investigate the various methods of measuring advertising effectiveness. To simply draw up a compendium of techniques available would not fully utilize the resources provided to help give an understanding of some of the main problem areas. However, the evaluation of the techniques must play a prominent part in the research.

b) Whatever proposal is followed through, an evaluation of contemporary theories on advertising processes and related theories must be a substantial part of the work. It is hoped that the theories and the more practical examination of techniques will be brought together as much as possible.

c) Because the participants are willing to make their company information available, the project is an excellent vehicle for considering a research topic which covers a broad section of industry - both by size and type. No individual company can have such a unique opportunity in its normal avenues of research. In addition, it makes sense to use as much information as exists to the greatest extent possible.

d) The spread of experience among sponsor companies, and the level of sophistication with regard to the approach to advertising and research, varies considerably. It would have been easy to concentrate on the more sophisticated companies, or alternatively on particular markets, but this was felt to be failing in an objective - namely that of providing a positive feedback for all of the participating companies.

e) The nucleus of the research team was decided upon in order that the benefits of an interdisciplinary approach could be gained, for it was felt that a single discipline approach would, by definition, be incomplete. This consideration makes certain possible proposals insufficient - e.g. the building of an econometric model, or concentrating entirely on the value of attitude measures to advertising research.

It is in an attempt to meet these criteria, and the more practical constraint of resource availability, that the following research proposal is put forward. At this stage, details of the methodology to be employed will not be discussed.

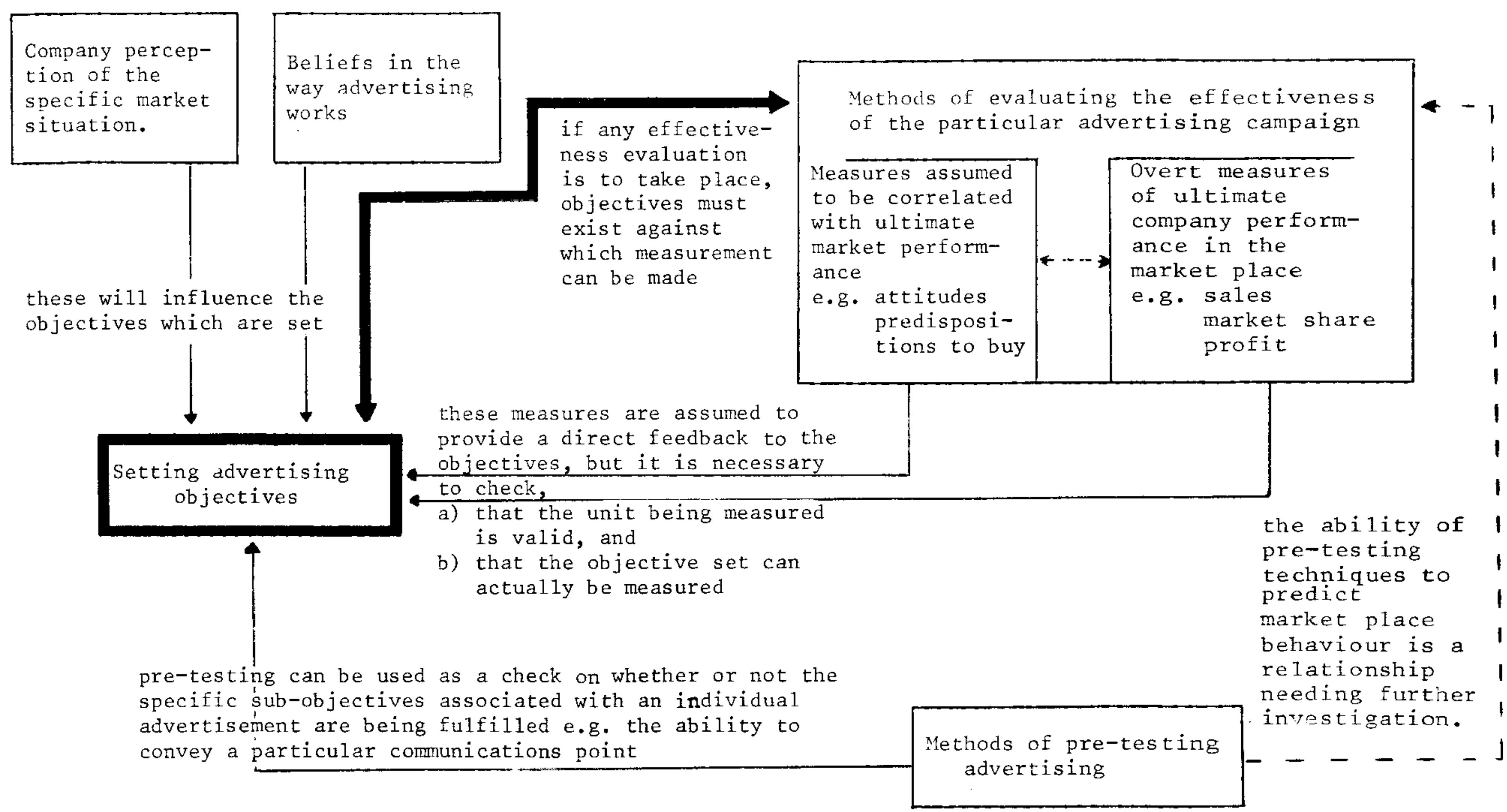
THE RATIONALE UNDERLYING THE DECISION ON WHAT RESEARCH TO UNDERTAKE

From considering the findings in Report No. 1. "The Identification of Current Company Advertising Practices", and those of the literature review, it is evident that people are not totally convinced that any particular method which can be employed in the sphere of advertising decision making is 'the answer' to the problems which are encountered. Certainly much has been written, but as a generalization it is probably true to say that few concerns are concentrating their resources on fundamental research. In visiting companies it was evident that practices were being adopted in the knowledge that substantial imperfections might exist - a situation which can be expected to persist since commercial organisations have little time or resources to undertake this type of more fundamental, long term research. In the literature too, it was evident that techniques passed in to, or out of use, without sufficiently thorough work being undertaken to substantiate the particular method. It should be emphasised that this statement is made on the basis of published material.

In view of the above conclusion our strategy is to concentrate on fundamental research simply to 'clear the decks', and to attempt to answer some basic problems.

DIAGRAM I

AN OUTLINE OF THE FRAMEWORK FOR RESEARCH



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.

As stated previously, the initial intention when setting up the project was to evaluate the various methods of gauging the effectiveness of a particular advertising campaign. The question immediately following from this is, "against what benchmark is the campaign being evaluated?", for the term 'effective' cannot be considered in isolation. Obviously any campaign has to be run with a view to achieving a specific outcome, and that expected/ desired outcome must be formalized as an objective, or series of objectives. In the diagram the relationship between these two activities is marked with a solid black line because they are considered to be the focal point of the research.

Little evidence was found, either in companies or in the literature, to show that advertising objectives and methods of evaluation are explicitly related. It is suggested that the two activities must be considered together when decisions are being made. What is being advocated is that every company should approach its advertising activity as a totality, thinking out the implications right through the process, rather than considering each component in isolation: in effect, a total communications approach. Both the practice and the literature appear to adopt an isolationist approach, treating the various components in the system as if they were independent.

The literature which exists can certainly provide a theoretical framework of how one can expect the relationship to work. In addition there is experience and data within companies to work through examples of how these two things are linked. To do this would lead to a marrying of the theoretical and the practical, the outcome being an explicit statement of what objectives can realistically be set, and what methods of evaluation can be employed in relation to them.

Before this link can be investigated, there is a need for further work to be undertaken in an attempt to understand what is happening within the boxes shown in the diagram.

Turning to the box marked, 'Setting advertising objectives', it is necessary to examine in detail what objectives are set, and why they are set. It is believed that the objectives must be the result of two things:

a) perception of the specific market situation in which the company finds itself,

and

b) the beliefs within the company, of how advertising works.

This second point is important, for the company aiming to change a specific attitude amongst its potential buyers must be convinced that the change will affect company performance in the market place. Similarly, with awareness and the other objectives which were mentioned by companies, the particular objective has to be matched to a suitable measuring technique. If this did not apply, it could be argued that companies are wasting their resources.

Because much of the work revolves around the setting of objectives, this aspect of the research should be considered as a focal point. The paper which is to be written on the processes of advertising will serve as a starting point. In addition to the literature review, further information on current company practice will have to be collected. This point was not made completely explicit in the previous fieldwork.

Part-ii of the Report Number 2, was concerned with post exposure, company performance measuring techniques and so will form a basis of the work for the box, 'Methods of evaluating the effectiveness of the particular advertising campaign.' The fact that this is drawn into two sub-sections illustrates an important fact - namely that the two types of measurement referred to are usually separated in both theory and practice. In consequence the MCRU will be concerned to consider whatever relationship exists between these types of measurement.

Summary

In practical terms the foregoing remarks can be summarized as follows:

i) A literature review on how advertising works produced.

ii) There will be a thorough examination of the manner in which advertising objectives are set, and the results of this will be summarized as a listing of appropriate possible objectives - each objective being associated with a particular market situation/ series of situations. The issue of whether or not the adopted objectives are the correct ones will be discussed.

iii) The methods of measuring campaign effectiveness will be drawn up into a series of categories, each category referring to the measurement of a specific objective.

iv) The theoretical work outlined in points i),ii) and iii) will be tested against the workings of practical examples. Sufficient data exists within companies for this to be done. Sometimes the information will exist in the form required, but at other times it will be necessary to rework the examples to make them compatible with the research.

v) By going through this process it should be possible to draw up guidelines of what objectives to set in particular situations, and to show the means which should be employed to measure whether or not the campaign objectives have been fulfilled. This should help remove some of the difficulties in the decision making.

Further Comment on Objective Setting

A further point needs to be made about objective setting. It may be that the company will set an appropriate objective for its overall development, but that this might not be easily directly measurable. As an example, it might be that the company intends to increase its profit by 5%, a quantity which can be measured but which may be difficult to determine quickly and accurately. In such a situation it might be considered worthwhile to set sub-objectives which are more easily measurable. To follow the example through, the additional 5% profit could involve increasing sales among a particularly profitable, or untapped section of the market. Having isolated the section of interest, it would then be necessary to determine how sales could be increased within it to the appropriate amount. One possibility would be to improve the distribution system, where this is less than total. Here the sub-objective would be to increase the distribution network from x% to x + 3%, or whatever. The effectiveness measure for such a campaign would then be concerned with distribution levels rather than profit.

Pre-Testing

In the general framework, "Methods of pre-testing" have been introduced. The literature review of the available published material has shown that the results gained from these methods are assumed to be linked to ultimate market place performance. In contrast, the fieldwork showed that this particular tool was often being employed only as a screening process, intended to ensure that the advertisements which were released,did not contain anything which would evoke an unfavourable response. (There is no evidence to show that unfavourable responses are harmful to the company, but this tends to be assumed). Nevertheless, participating companies either regularly used, or thought they ought to use, some form of pre-testing.

The fact that such resources are being devoted to this kind of research demonstrates a need to investigate the value of these techniques further. Whether or not the methods are accurate predictors of market place performance is a vast question, and although the MCRU would like to provide a conclusive answer on this point, this particular aspect of the proposal is not seen as a major part. What is argued, however, is the belief that pre-testing techniques can be used as a check on whether certain specific objectives of a particular campaign have been fulfilled in a technical sense. For example, if the advertising objective requires that the potential consumer should learn a certain copy point, techniques exist to show whether the point has been conveyed In consequence it can be said that although pre-testing techniques do not exist to prove that the overall objective chosen is the right one to adopt, they can demonstrate that specific sub-objectives can be achieved. This is a necessary prerequisite before post exposure measures are contemplated.

Because pre-testing research can be undertaken comparatively quickly, and at a smaller cost than post-exposure research, it makes sense to build in a check on the advertising work at this early stage. After all, if the advertisement does not communicate the required point/s, any subsequent work will be unsound and misleading since it will be based on unsubstantiated assumptions.

For this part of the proposal the MCRU will supplement its knowledge by seeking interviews with those designing, and regularly employing, the various pre-testing techniques. Again, data exists among the sponsor companies to work through examples.

Above and below-the-line promotional activities.

It has been decided to concentrate upon the establishment and measurement of media advertising effects. The survey of company practice (Report No. 1.), and the literature review (Report No. 2) indicate that systematically collected information and data on below-the-line activities were not well documented or researched. Consequently opportunities for widely based research on past data are felt, at this point in time, to be insufficient. It should also be added that to incorporate below-the-line activities would result in many problems of defining exactly what should be included.

THE PLACE OF THE 'EMERGENT AREAS FOR MORE DETAILED RESEARCH'

In the first report (Report No. 1) twenty topics were put forward as possibilities for further consideration. The above proposal incorporates the following suggested topics:

1. An examination and evaluation of methods for setting advertising objectives, both for ongoing situations and new missions.

9. An examination and review of methods of pre-testing advertisements.

10. An analysis of the evidence on any relationship between the results of advertisement pre-tests and subsequent performance of the advertisement.

12. An examination and review of methods of conducting and analysing "pressure tests" or experiments of different weights of advertising.

15. Do attitudes change before behaviour? Review of evidence.

16. A critical review of work relating advertising and purchasing behaviour, and further analysis of this relationship.

Topics which are less directly related, but which would be incorporated with additional resources, (e.g. M.Sc., M.B.A., Ph.D. dissertation work), are as follows:-

4. An examination and review of methods of spreading advertising appropriations regionally, e.g. by relative population, per capita consumption, relative distribution.

5. An examination of rates of forgetting well-known products that have not been advertised for long periods, but have been covered by awareness surveys.

6. An examination and review of methods of assessing when an advertisement is "worn-out". - this is considered to be an issue possibly related to pre-testing techniques.

11. A critical examination of the various methods for rating the contents of an advertisement.

One further topic needs to be mentioned;

13. The determination of factors affecting the response to advertisements containing reply coupons.

This is especially earmarked because it is an area in which a wealth of information exists, and in which it is felt that conclusive findings are ascertainable. In view of this, the MCRU would like to investigate the area further; as a sub-project to the research proposal. Any research in this area would differentiate between the type of advertising when any response is worthwhile (e.g. mail order) and the type where the 'quality' of the response is important, i.e. only potential customers are considered desirable.

PROGRAMME FOR 1973

It is proposed that the following publications should be produced for sponsor companies during 1973.

Report No. 4. "The Process of Advertising" - a literature review of the available material on how advertising works. Of particular concern will be the contributions of the psychologists. This report will become available in May.

Report No. 5. "A Handbook on Advertising Pressure Tests - Uses and Abuses". Due for publication in summer, the subject of this report will be the in-the-market testing of differing levels of media and expenditure. The objective will be to isolate the reasons, both theoretical and practical, for the general failure of this form of advertising effectiveness measurement. The conditions necessary for the successful implementation of this procedure will be stated.

Report No. 6. "Setting Advertising Objectives" - This is considered to be the major output of 1973. The report will bring together the current practices of participating companies, and the theory of how objectives should be set. In the framework put forward (diagram 1), the area to be covered is shown in the top left hand corner of the diagram. October is the date for publication.

Report No. 7. "A Handbook of Advertising Pre-Testing Methods" - It is envisaged that this will be a reference book for those wishing to know where to go when planning their pre-testing activity. It will detail the methods available, and an evaluation of them in particular circumstance. This is due in December.

Workshop Marketing Communications Workshop - The purpose of the Workshop will be to enable sponsors and other closely interested organisations to meet for an in-camera exchange of views on the major problems they face, and how they are currently tackling them.

On the basis of the discussions which MCRU members have had with sponsors, key topics are already emerging and some ten companies will be asked to make formal presentations on specific aspects of the topics.

The Workshop will be under the joint Chairmanship of Professors Henry and Wills and will be held on 26-28th November 1973. Further details will be sent to Sponsors and other interested organisations in the Spring.

SUMMARY OF SPONSORS MEETING TO DISCUSS WORK IN THE FIRST YEAR AND 1973's RESEARCH PLAN

The meeting was held on 31st January 1973 at the Reform Club,

present were:-	Professor Harry Henry	Cranfield School of Management
	Professor Gordon Wills	" "
	Mr. David Corkindale	" "
	Miss Sherril Kennedy	" "
	Mr. Derek Bloom	Beecham
	Mr. John Penny	B.P.
	Mr. Philippe Taylor	B.T.A.
	Mr. J.M. Sunderland	Cadbury-Schweppes
	Mr. Jim Mussett	C.P.C.
	Mr. H.D. Lowe	Dunlop
	Mr. A.G. Penney	Gas Corporation
	Mr. Peter Daniels	H.J. Heinz
	Mr. Frank Merry	J. Lyons
	Mr. Mike Jones	Midland Bank
	Mr. Basil Walters	N.C.B.
	Mr. David Crane	Vine Products

Reports Nos. 1 and 2

After some opening comments by Harry Henry and Gordon Wills, it was proposed that each report should be discussed by the sponsor company representatives.
Derek Bloom opened discussion of Report No. 1 (the MCRU's findings on an examination of current company practice) by quoting from a recent Beecham exercise which collated the market research data on 17 test market exercises, all of which had been completed during the last few years.

The data had been examined by plotting such things as awareness against trial to see if general patterns or guide lines could be discerned. It emerged that a wide dispersion of patterns was found to exist, and because of this no precise conclusion could be drawn up. Derek maintained that such exercises indicated that it was unlikely that generalisations could be drawn from any all-embracing examination of data across a wide variety of companies.

A general discussion ensued about the importance of differences between companies. John Penny observed that any examination of general problems in different situations was a potential means of improving knowledge. Mike Jones said he felt a comparative analysis was particularly valuable to organisations who were still establishing the marketing function and thinking about basic precepts. The MCRU team then emphasised that their intention has always been to examine individual situations in depth, before considering whether or not common patterns existed.

David Crane and Peter Daniels introduced the idea that perhaps one means of avoiding the problems of concentration on inter-company comparability, was to examine advertising effects from the 'consumer' end of the system. After discussion, however, the meeting agreed that this was not a real distinction, in that individual companies were concerned with consumers and collected the data most feasible and this information was all that was likely to be available without resorting to the collection of fresh data.

Some members, notably Messrs. Walters and Jones, voiced the need they felt for improved techniques of measurement, clear explanations of the accuracy of those techniques available, and guidelines for desirable ratios between research budgets and advertising appropriations. Gordon Wills said that he felt the planned MCRU reports for 1973 would help evaluate the applicability of particular research techniques. He also maintained that the latter point was really a subject of individual company cost/benefit exercises.

John Penny felt that Report No. 1 had been ultra cautious over the degree of company information disclosed. He felt tables showing, for example, company media expenditures versus media use, and expenditure versus sales for all Sponsors, would be interesting. This was generally agreed and such tables will be prepared.

A final comment on Report No. 1, voiced by Messrs. Sunderland and Lowe, was that it implied, particularly on page 39, that the advertising medium choice was made superficially. It was their experience that more factors and evidence were brought to bear on this decision. It was agreed that a fourth criteria should be added to those listed - "the nature of the consumers forming the target audience".

Very little comment was made on Report No. 2: the literature review of advertising effectiveness measurement. One or two members were initially disappointed that firm conclusions on 'what' should be measured and 'how' this should be done had not emerged in the report. All agreed that it would have been fortunate to have been able to conclude the research programme so simply. At a later date a full annotated bibliography of relevant references will be made available to Sponsors. John Penny made the suggestion, which will be acted upon, that some sort of grading or 'starring' system should be used to indicate the degree merit of each of the entries.

Research Plan for 1973

The meeting then turned to discussion of the Report No. 3: the research plan for 1973. It was generally agreed that all that was proposed by the MCRU was wholeheartedly concurred with. Frank Merry went so far as to say that he felt the concentration on 'objectives' was well directed and that to examine when and how objectives changed, would be valuable. After discussion of the need for research into methods of budget setting it was agreed that this subject should be added to the list of reports to be produced by the MCRU.

The meeting then turned to discussing the idea of a 'workshop' as outlined at the end of the Research Plan. There was a fairly unanimous agreement that it would be a worthwhile event and that members would attend. It was felt that two useful subjects for discussion could be budget setting and media mix decisions.