

Forecasting Ad Effects

Using Media Models: Test Market Results

- Purpose
 - Forecast
 - Advertising Campaign Effects
 - Media Exposure Distribution Models
- Normative Theory, Framework
 - Media Volume
 - Message Quality
 - Campaign Efficiency
 - Tracking Study Calibration
- Test Market Results
- Implications for Research, Management

Case Study

Two Test Markets

- Illinois (Springfield ADI)
- Iowa (Des Moines ADI)
 - Test Counties
 - Buffer Counties
 - Control Counties

Case Study

(Continued)

Product Category

- Agricultural
- Important to User
- Infrequently Purchased
- Seasonal
- Heavily Advertised (TV, Magazines, Radio, Outdoor)
- Major Competitors Dominate Market
- Extensive Distribution
- Healthy Margins
- Significant Sales Force Role

Case Study

(Continued)

Product X

- Owned by Major Midwest Agri-Marketer
- Important Brand in Some Markets
- Fringe Brand in Other Markets

Pre- and Post-Tests

Consumer Panel

- Representative of Target Market
- 80% Return Rate
- Oversampling of ADI Counties
 - Illinois: 970 Members
 - Iowa: 994 Members

Design

- Month 1: Disguised pre-test distributed
Initial awareness assessment
- Month 2: Start Product X ad campaign in both markets
- Month 4: Stop Product X advertising in both markets
Disguised post-test distributed
Final awareness assessment

Advertising Insertions

Month 2 Through Month 4

<u>Springfield ADI</u>	<u>Number of Ads</u>
Spot Television (four stations)	160
Spot Radio (six stations)	360
Local Newspapers (four publications)	24
	<u>544</u>
 <u>Des Moines ADI</u>	
Spot Television (three stations)	88
Spot Radio (one station)	60
Local Newspapers (seven publications)	42
	<u>190</u>

Media Data Sources

Vehicle Audience Estimates

- Scarborough Newspaper Readership Ratings
- Nielsen Television Viewership Ratings
- Arbitron Radio Listenership Ratings

Vehicle Cost Data

- Standard Rate and Data Service (SRDS)
- Advertising Agency
- Media Rate Cards

Effective Reach Defined

Communication Goal

- Top-of-mind awareness
- List first three brands that come to mind when purchasing product type
- Correlated with sales and market share

Frequency Required to Achieve Top-of-mind Awareness

- Springfield ADI: 6 or more exposures
- Des Moines ADI: 11 or more exposures

Effective Reach: Percent of target market exposed 6 or 11 or more times to campaign messages

Message-Vehicle Ratios (25% of typical published ratios)

- | | |
|-------------------------------|-------|
| •Television (30 seconds) | 18.1% |
| •Radio (60 seconds) | 9.4 |
| •Newspaper (30 column-inches) | 8.8 |

Media Evaluation:

Spot Television and Radio, Local Newspapers

Brand = Product X

Target = Springfield ADI

Period = Two-month Test

Frequency (F)	Exposure Distributions			
	Vehicle		Message	
	% F	% F+	% F	% F+
0	0.0	100.0	73.0	100.0
1	0.0	100.0	1.2	27.0
2	0.1	100.0	1.2	25.8
3	0.3	99.9	1.4	24.6
4	0.6	99.6	1.6	23.2
5	1.0	99.0	1.8	21.6
6	1.5	98.0	1.9	19.8
7	2.1	96.4	1.9	17.9
8	2.6	94.4	1.7	16.1
9	3.0	91.8	1.5	14.4
10	3.3	88.9	1.3	12.9
11+	85.6	85.6	11.6	11.6

Media Evaluation (Springfield ADI)

<u>Summary Evaluations</u>	<u>Vehicle</u>	<u>Message</u>
Reach (1+)	100.0%	27.0%
Effective Reach (3+)	99.9	24.6
Average Frequency	23.3	12.7
Gross Rating Points	2,325.4	343.7

Spot Television Evaluation (Springfield ADI)

Vehicles	Rating	Ads
WCIA 1	2.0	10
WCIA 2	19.0	10
WCIA 3	25.0	15
WAND 1	1.0	15
WAND 2	8.0	15
WAND 3	9.0	10
WICS 1	1.0	10
WICS 2	2.0	10
WICS 3	2.0	5
WICS 4	9.0	10
WICS 5	11.0	15
WICD 1	1.0	5
WICD 2	1.0	10
WICD 3	18.0	10
WICD 4	15.0	10

Spot Radio Evaluation (Springfield ADI)

Vehicles	Rating	Ads
WTAX	3.7	60
WDAN	1.5	60
WSOY	3.5	60
WCRA	0.6	60
WJIL	0.6	60
WDWS	1.9	60

Local Newspaper Evaluation (Springfield ADI)

Vehicles	Rating	Ads
News	17.6	6
Jacksonville	1.2	6
Taylorville	2.2	6
Danville	6.9	6

Media Evaluation:

Spot Television and Radio, Local Newspapers

Brand = Product X

Target = Des Moines ADI

Period = Two-month Test

Frequency (F)	Exposure Distributions			
	Vehicle		Message	
	% F	% F+	% F	% F+
0	0.4	100.0	73.2	100.0
1	1.5	99.5	3.9	26.8
2	2.7	98.0	3.5	22.9
3	3.6	95.4	2.6	19.4
4	4.1	91.8	1.8	16.8
5	4.4	87.7	1.4	15.0
6	4.5	83.3	1.1	13.6
7	4.5	78.7	1.1	12.4
8	4.5	74.2	1.0	11.3
9	4.4	69.7	0.9	10.3
10	4.2	65.4	0.9	9.4
11+	61.1	61.1	8.5	8.5

Media Evaluation

(Des Moines ADI)

<u>Summary Evaluations</u>	<u>Vehicle</u>	<u>Message</u>
Reach (1+)	99.5%	26.8%
Effective Reach (3+)	95.4	19.4
Average Frequency	16.0	8.9
Gross Rating Points	1,596.8	239.4

Spot Television Evaluation (Des Moines ADI)

Vehicles	Rating	Ads
WHO 1	1.0	8
WHO 2	15.0	12
WHO 3	20.0	12
WOI 1	1.0	8
WOI 2	9.0	8
WOI 3	5.0	12
KCCI 1	8.0	8
KCCI 2	21.0	8
KCCI 3	21.0	12

Spot Radio Evaluation

(Des Moines ADI)

Vehicles	Rating	Ads
WHO	3.00	60

Local Newspaper Evaluation (Des Moines ADI)

Vehicles	Rating	Ads
Ames	2.7	6
Carroll	3.4	6
Des Moines 1	40.0	2
Des Moines 2	40.0	4
Fort Dodge	7.3	6
Marshall	3.4	6
Newton	2.2	6
Oskalousa	1.8	6

Predicted Versus Actual Awareness

Market	<u>Target Audience Awareness</u>		Gap
	Before Campaign	After Campaign	
<u>Springfield ADI</u> Target Audience Awareness of Product X Predicted Awareness	14.9%	18.2%	+1.6
<u>Des Moines ADI</u> Target Audience Awareness of Product X Predicted Awareness	3.8%	7.2%	+1.3

Implications

- Lower Television Weight
- Search for Optimum Schedules with Confidence
- Conservative View of Advertising Impact
- Predict Multiple Communication Effects
- Budget Size
- Message Research
- Media Efficiency