

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

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Case Study

Two Test Markets

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

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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

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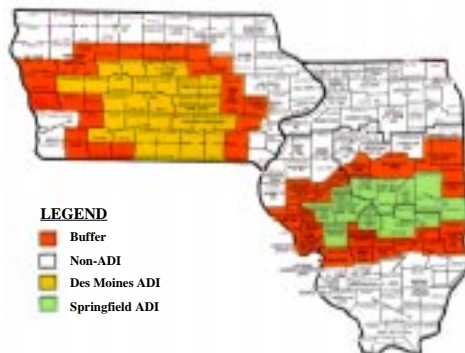
Case Study (Continued)

Product X

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

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Two Test Markets



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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

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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

	544
<u>Des Moines ADI</u>	
Spot Television (three stations)	88
Spot Radio (one station)	60
Local Newspapers (seven publications)	42

	190

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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

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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

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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

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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

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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

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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

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Local Newspaper Evaluation (Springfield ADI)

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

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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

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Media Evaluation (Des Moines ADI)

Summary Evaluations	Vehicle	Message
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

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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

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Spot Radio Evaluation (Des Moines ADI)

Vehicles	Rating	Ads
WHO	3.00	60

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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

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Predicted Versus Actual Awareness

Market	Target Audience Awareness		Gap
	Before Campaign	After Campaign	
Springfield ADI			
Target Audience Awareness of Product X	14.9%	18.2%	
Predicted Awareness		19.8%	+1.6
Des Moines ADI			
Target Audience Awareness of Product X	3.8%	7.2%	
Predicted Awareness		8.5%	+1.3

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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

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