

Research in Advertising: Gaps and opportunities for the next 3 years:

As seen by Roy Morgan.

Hypothesis: That important findings from advertising research which can be quantified, should be quantified.

Chief Gap: A paucity of people who can quantify qualitative research and then explain the figures to the creative people in advertising

Opportunity: Unlimited for mathematical psychologists, or better still, mathematical semanticists, if there is such a word and there are such people?

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There are, of course, many gaps in advertising research and many kinds of opportunities.

Next week, in Madrid, our European counterpart - the Society for Opinion and Marketing Research - is holding a four-day workshop on "Translating Advanced Advertising Theories into Research Reality".

During those four days they will discuss about a dozen theories like those so well documented in the Journal of Advertising Research and the Journal of Marketing Research. The August issue of the Journal of Advertising Research, for instance, contains a most topical article on how to calculate the reach and frequency of TV ads.

To the casual reader, the most striking feature of those two journals and others like them, is the almost universal use of mathematical reasoning.

Just as music is the language of love, and words the language of salesmen and creative copy writers, so are figures the language of marketing managers, marketing researchers and advertising researchers.

Anyone who says advertising research is not a science is as far from the realities of modern advertising as Robinson Crusoe was from the business world of his day.

In four hours we can't cover what they will discuss in Madrid in four days, so I will confine myself to what seems to be a major gap in advertising research in Australia, namely a shortage of people who can quantify the findings of advertising research; and

even more importantly, a shortage of people who can explain those quantified findings to the creative people in the advertising world - to whom figures - other than female figures - are a mental block.

Fortunately there is an increasing number of graduates trained in statistical method who can fill those two gaps in the field of advertising research, and take advantage of the opportunities.

Graduates in psychology with an extensive training in statistical method and semantics probably have the best future in advertising research.

To ensure that we are all thinking of the same thing, I will define advertising research as that part of marketing research which can help people create more effective advertisements.

Many kinds of marketing research are useful to the advertising researcher. For example, one of the commonest pieces of marketing research - who buys what and where - is just as important to the advertising man as it is to the sales manager.

But a lot of advertising research, such as pre-testing and post-testing of advertisements, is unrelated to the general body of marketing research. In other words, advertising research covers a broader field than most other kinds of marketing research.

I will now return to my hypothesis that all important findings of advertising research, which are not obviously right, and which can be quantified, should be quantified before risky decisions are based on them.

To judge by developments in Europe, unquantified reports of discussion groups will soon be a thing of the past. Within 3 years the major findings from those groups will usually be quantified before submission to decision-makers.

Meanwhile people who base their decisions on unquantified data will continue to make unprofitable mistakes.

Marketers like doctors, bury their mistakes, so I can't quote examples from industry, except that of the Edsell Ford, which was

designed on hunches, not research.

But a recent example in the political field of a risky decision based on unquantified, or incorrectly quantified, research was Mr. Whitlam's proposal for a \$20 fine on strikers.

It seems that he made that proposal on the basis of a survey which showed a cross-section of electors in Sydney in favor of \$20 fines.

Hindsight, of course, is often clearer than foresight. If Mr. Whitlam had also put the proposal to a cross-section of his fellow parliamentarians and union bodies, he would have been saved from an embarrassing mistake.

That raises a very important point, namely, that quantification is valueless, unless unbiased questions are put to a true cross-section of the people likely to be affected, and then are tabulated objectively. As we all know, figures can't lie, but liars can figure.

In the next three years we will see many changes, as more people trained in statistical method come into the fields of advertising and advertising research.

Just as the number of advertising agencies have diminished, so will the number of research agencies diminish. But people trained in statistics, psychology and semantics will find increasing opportunities in advertising agencies, market research companies, and the advertising departments of the big advertisers.

More advertising agents will use Australia-wide media surveys and computers to calculate reach and frequency, and to select media.

And more marketers will not make their decisions until the hunches from group discussions have been quantified by surveys of cross-sections of the target audiences.

And furthermore, the creative people in advertising agencies will have more people to help them convert the figures of the researchers into the words of the advertising world.

I shall now refer briefly to gaps and opportunities in TV research.

In the last 15 years a mint of money has been spent on TV ratings

and on the testing of TV commercials. Without doubt that expenditure has had a big effect on the TV programs and commercials we see.

Despite misgivings in many quarters, the ratings continue to be based on the viewing (or on the non-viewing) at only 400 households. Occasionally some of those ratings must be wrong by as much as 25% simply because of statistical variance.

There is a growing demand for increased sample-sizes for TV ratings to assure greater accuracy. But at the same time, there is a switch in interest from TV ratings to attitudinal research.

In America, research suggests that the more a person likes a program, the greater the chance he will respond to an accompanying commercial.

If that is proved, advertisers and their advertising agents will demand that ratings be altered to reflect peoples' attitudes. Scales, for example, could be included.

Research findings may also prompt advertisers to demand - and pay for - particular positions in programs.

Within three years the computer program used to select TV times may take into account attitudes toward particular types of programs and how position affects impact on audiences.

Next, gaps and opportunities for research into readership of the printed media.

Today we have a glut of figures on the readership of newspapers and magazines. Much of it is inaccurate and misleading.

For instance, how can advertising agents correctly advise national advertisers on the basis of surveys confined to the capital cities, or surveys with too many well-educated people in the respondents?

Comparison of the first and second columns of figures in the

following table show how the realtive strengths of four national magazines would be represented wrongly by a survey confined to the six State capitals:

<u>Readership By</u>	<u>Australia</u>	<u>Six capital cities</u>	<u>Country area of 6 States</u>
<u>Women 16 and over:</u>	%	%	%
Womens Weekly	47.1	46.9	49.1
Womans Day	29.9	31.3	27.7
New Idea	22.3	18.6	28.5
<u>Men 16 and over:</u>			
Australian Post	13.5	11.5	16.6

It seems that to date few people in media departments of advertising agencies have given any real thought as to how readership surveys should be conducted. An increasing number of people, however, now realise that readership surveys must cover the entire area of circulation and the entire population in that area.

Within three years - or perhaps 12 months - surveys of the readership of capital city newspapers and national magazines which don't cover the entire areas of circulation will probably cease.

Another weakness of some readership surveys - particularly those which use self-administered questionnaires - is over-representation of better-educated people.

Note the alarming differences in the figures for readership of morning papers in Melbourne:

Survey A: Interviews every weekend; face to face.

Sun	1,045,000	readers	} Ratio 3.1
Age	<u>336,000</u>	readers	
Difference	<u>709,000</u>	readers	

Survey B: Interviews during peak of football season; face to face.

Sun	966,000	readers	} Ratio 2.7
Age	<u>357,000</u>	readers	
Difference	<u>609,000</u>	readers	

Survey C: Self-administered

Sun	929,000	readers	} Ratio 2.2
Age	<u>425,000</u>	readers	
Difference	<u>504,000</u>	readers	

The circulation of the Sun in Melbourne is 2.7 times that of the Age. At least two of the surveys, however, have found that readership per dwelling is relatively high in the kind of homes where the Melbourne Sun circulates to the exclusion of the Age. The readership ratio of 3:1 found by Survey A is probably correct.

Within 3 years - or perhaps 12 months - publishers and advertisers will be rid of readership surveys based on self-administered questions, unless, by a miracle, they can correct their bias toward better-educated people.

Poor questions are another weakness of some readership surveys. Consider these questions on monthly magazines:

Question A: "Next (SHOW CARD C) come various magazines that are put out once a month. First, take .....(MAGAZINE). How many different issues of .....(MAGAZINE), if any, have you personally read or looked into in the last four months?"

Question B: "Below is a list of magazines that are published once a month. Under each magazine place a tick on the line that best describes how many issues of each magazine you have personally read or looked into in the past four months. This includes all issues that you may have looked into in the past 4 months, even earlier issues you have just got around to reading in the past 4 months."

Last March we experimentally asked two similar Australia-wide cross-sections, each of 1,000 men and women, whether they had read the latest issue of the Reader's Digest.

A week after the March issue of the Digest had been published, 36% said they had read the Digest in the last 4 weeks. But two weeks later, only 25% said they had read it in the last 4 weeks!

Sales of the Reader's Digest are fairly steady month by month. If peoples' memories are so unreliable after a couple of weeks, what credence can be placed on answers to questions which ask people to remember 4 months back?

The literature on advertising research contains several reports of

experiments which aim to measure readership of weekly and monthly magazines more accurately. A survey we began last weekend, and which we will complete next weekend, should translate two of those advanced advertising theories into research realities, to quote the title of next week's seminar in Madrid.

Within 3 years - or perhaps a few weeks - magazine publishers and national advertisers should have accurate facts as to the readership of the chief national magazines.

As mentioned earlier, most branches of marketing research gather information of use to people engaged in advertising research.

That information can be purely quantitative - such as brand awareness and brand preferences - or it can be qualitative, seeking the forces behind peoples' decisions.

A battery of open-ended non-directive questions in a face-to-face survey of a cross-section of people in their homes is a reliable way of measuring attitudes and collecting ideas for creative people.

But group discussions are better for some purposes, particularly if the moderator is not only wise, but also a marketer with a wealth of experience in a wide range of products.

At the recent conference of this Society in Canberra, it was obvious that many people went there believing that qualitative research was merely another name for group discussions. Those at the conference, however, now know that group discussions are only one of the many kinds of qualitative research.

The volume of qualitative research which is quantified each week in Europe is enormous, and is rapidly increasing here.

Most of this quantified qualitative research is not in great depth, because it isn't necessary. But every month we are conducting more of that kind of research, with greater depth.

The availability of Australia-wide omnibus surveys every weekend undoubtedly encouraged this development. But it could not have occurred if the number of people with a scientific outlook in

advertising research had not increased.

And as mentioned earlier, the next three years is certain to see increased quantification of the major findings of group discussions before they are used for important decisions.

Every weekend we now conduct two Australia-wide omnibus surveys, each of about 1,000 interviews.

Recently other organisations have begun a monthly omnibus and a quarterly omnibus.

Within three years increased quantification of qualitative research will require the market research companies to conduct at least four Australia-wide surveys, each of 1,000 interviews taking about 20 minutes, every weekend.

Finally, I will refer briefly to two other kinds of syndicated surveys, which have grown up alongside TV ratings and readership surveys.

One of those two kinds of syndicated surveys reports brand shares and similar facts which are of more interest in market research than advertising research. The information can be collected by store audits, pantry checks, self-administered questionnaires or face-to-face in-home interviews. When speed and up-to-dateness are important, face-to-face interviews are best.

The other group measures recall of advertising and attitudes, which may change quickly. That kind of information can be collected only in face-to-face in-home interviews.

If questions of the first type (brand share etc) and those of the second type (advertising recall etc) are included in the same face-to-face interviews, the two lots of answers can be compared. That is of great value to advertising researchers.

Here is an example:

	March <u>1970</u> %	May <u>1970</u> %	June <u>1970</u> %
Recalled Pelaco advertising	25.6	14.1	9.1
Would ask for Pelaco first	16.8	15.0	12.7

That kind of comparison and the up-to-dateness of face-to-face in-home



surveys are great advantages, so my final prediction is that within three years most syndicated services will be based on in-home face-to-face interviews, probably in omnibus surveys.

Keeping our organisation up-to-date has not been easy. Attendance at the annual conferences of the Directors of Gallup Polls throughout the world have been most helpful. But I would not have got this far without the help of my son Gary, who prepared the outline of this talk.

I will conclude with the sad story of the market-share of a brand of canned dog food which did not buy our Dog Food Index:

July/Aug. 1967	18.5%
Sept./Oct. 1967	15.4%
Nov./Dec. 1967 ..	12.3%
Feb./March 1968	11.8%
April/May 1968	10.2%
June/July 1968 ..	9.8%
Aug./Sept. 1968	9.2%
Oct./Nov. 1968	7.8%
Nov./Dec. 1968 ..	7.6%
Feb./March 1969	6.4%
August 1969	6.3%
June/July 1970 ..	4.7%