Using Market Research to Create Effective Advertising

Learning from the Advertising Research Foundation's David Ogilvy Research Award Winners

Raymond Pettit

LEARNING FROM WINNERS

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How the ARF David Ogilvy Award Winners Use Market Research to Create Advertising Success

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To my daughter, Claire, who is already soaring to new heights of artistry and accomplishment, and a profound inspiration to me.

Contents

Foreword

Why is it that, as managers, we often *know better* but don't *do* better?

Why is more than 90% of research *confirmatory* when the research of greatest value is *exploratory?*

Why haven't marketers developed a standard methodology for answering a basic question: "Did my advertising work or not?"

We know that Microsoft is not alone in dealing with these challenges. We know we do not have all the answers. We do, however, hold a firm belief that we see as the key to answering these and other essential marketing questions: we believe that knowledge increases its value when it is shared. Knowledge withers when it is hoarded.

Microsoft aspires to lead learning, not only to lead in the marketplace. In fact, we believe that it is only by being at the forefront of the learning on marketing's critical issues that we will succeed in the marketplace. For us, then, the opportunity to partner with the Advertising Research Foundation (ARF)—the leading authority on the use of research to advance marketing—offers unique possibilities.

The dataset comprised of the 100+ cases from the first decade of the ARF's David Ogilvy Awards presents a unique laboratory. Here, we thought, buried in data, hidden by time, lie some precious answers to some big questions. If we shine the light of inquiry into this treasure trove, what insights will the data reveal? What can we learn from a decade of winners?

As it turns out, we can learn a great deal. By presenting this book, we have initiated the learning, not concluded the process. We know that the real learning will come in the sharing, the discussions, the experiments, and the refinements of these initial learnings.

We hope you read these pages with the joy of discovery that we did. But also, see this work as an invitation, an invitation to join with us, Microsoft and the ARF, in the ongoing learning that's required.

Each year we will update the findings. Each year we will convene leaders to sift and synthesize insights and experience. We will use workshops to build our understanding and improve our ability to apply the lessons of history.

Enter your own campaign—whether you are an advertiser, an agency, a researcher, or a media professional—in next year's Ogilvy Awards. It's an easy ticket of entry to an invaluable community.

Count on MSN to support the David Ogilvy Award Program for its second decade, and join us to extract all the value that these cases can offer us.

Stephen Kim
Director of Research, Microsoft Corporation, Redmond, WA

A Word from Joe Plummer, The Advertising Research Foundation

The mission and heritage of The Advertising Research Foundation has been to develop and share new knowledge about advertising, especially about the elements that contribute to the effectiveness of advertising, with the entire profession.

This book based upon winners of the ARF David Ogilvy Awards over the past 10 years is a clear reflection of this mission with an emphasis on effectiveness. But more important in my view, is that this book is about sharing valuable knowledge. In today's hypercompetitive world, companies attempt to keep knowledge to themselves as proprietary and a potential competitive advantage. The company may prosper, but the field as a whole suffers. I am thrilled that all the companies who have participated in the Ogilvy Awards program, and particularly the coveted winners in this book, have been generous in sharing their experiences creating outstanding (often breakthrough) and effective advertising. All of us in advertising will achieve greater insights into highly effective campaigns and more important, how the creative use of research can lead to big creative ideas, no mean feat. Very few firms are able to do that on a consistent basis.

The premise of this book is that conducting proper market and consumer research is the foundation for an enterprise as they seek new opportunities for growth. As *Learning from Winners* demonstrates, it is the creative application of the right research, done up front, that produces the big ideas with significant impact on the market and on people: employees, partners, retailers, and customers. In my opinion, too much research energy and budget are spent on "report-card" type research activities generally conducted after the train has left the station. More research, like the research applied in imaginative ways in this book, to gain new brand insights, redefine problems or markets, to support risk-taking ideas, and understand people in illuminating, up-front ways, needs to be done in more enterprises. *Learning from Winners* can provide both the inspiration to undertake more innovative up-front research and the confidence that it will pay off in the new growth for the brand or the company. Thank you, winners, for sharing with the rest of us!

Joe Plummer
Chief Research Officer, The Advertising Research Foundation, New York

Preface

If I have seen further . . .

Every now and then, the pieces of a research inquiry will come together in a way that helps its principals see further and more clearly than ever before, empowering them to use that insight to sharply improve the performance of their enterprise, brand, product, or cause. This collision of discovery with convention is a memorable experience that generates a profound personal excitement and fuels interest, passion, and innovation throughout our profession.

Unfortunately, it doesn't happen as often or as predictably as we would all like.

Although the science and art of research and discovery have a long proud history, advertising research is a relatively new phenomenon of modern history born out of mass communications in the information age. Perhaps more true today than ever is this 300-year-old adage from one of history's great researchers:

> If I have seen further, it is by standing on the shoulders of giants.
>
> *Isaac Newton,*
> *February 1675*

It is rare to find several giants all in one place lined up to hoist us onto their shoulders; yet that is precisely what this book does. Recorded here for all of us to learn from are the giants of advertising research: winners of The Advertising Research Foundation's David Ogilvy Research Excellence Awards.

Nowhere has there ever been such a thorough and thoughtful review and explication of the best of the best in advertising research. With this book, Raymond Pettit, the ARF, and the participating advertisers and research firms make an invaluable contribution to the industry. As a researcher, I thank them for opening a window into the challenges, approaches, outcomes, and experiences that come from the most creative minds and effective research teams in our industry, for enabling all of us to see a bit further by standing on the shoulders of these giants.

Dee Allsop
President, Solutions Research Groups, Harris Interactive, Rochester, NY
Grand Prize Ogilvy Award Winner: "The New Steel: Feel the Strength"

About the Author

Dr. Raymond Pettit is vice president at Longwoods International, a global firm that provides advanced analytic strategy, guidance, and services to a diverse client base. He is an expert in measuring return on marketing investment to guide optimal marketing improvements. Dr. Pettit works at the critical juncture of technology and marketing science to drive improved return on investment of marketing, branding, and advertising, and helps corporations foster innovation and accountability.

Dr. Pettit is the co-author of *Market Research in the Internet Age* (John Wiley & Sons), the first book to establish the necessity of and framework for integrating marketing science techniques, processes, and methods with new and enabling CRM technologies. He received his bachelor's degree from the University of Michigan and both master's and doctoral degrees from the University of Illinois. He has been a quantitative and market research consultant and executive for a number of U.S. and European firms.

Introduction

Seen any good advertising lately? Chances are you may be avoiding it. Yet even through the clutter of advertising and marketing messages we receive on a daily basis, there inevitably is something that captures your attention and interest. Maybe even helps start you on the path to purchase.

This is advertising at work.

Great advertising captures and engages, often in ways we can't exactly explain. On the wings of great campaigns, companies create whole new categories of products or services. They make us conscious of needs we'd never even contemplated. There's something almost magical about great advertising. And yet, all too often (by some estimates, more than 90% of the time), the results are far from magic. They're dismal. New products fail and existing brands drift aimlessly, unmoved by the millions of dollars lavished to support them.

Why is this? Why is it that some advertising proves powerfully effective, while the mass of campaigns wither on the media plans that bore them? Is advertising inherently a roll of the dice: a hit-or-miss gamble with few guiding principles or established truths? Or is there a better model of effective advertising waiting to be discovered? If so, where might we find the data trail to lead us there?

These are the profound urgent questions at the core of this book.

In our search for truths, we were lucky. We discovered a dusty storeroom containing a decade's worth of submissions to The Advertising Research Foundation's David Ogilvy Research Excellence Awards for advertising effectiveness. Without this good fortune—taking the form of this truly unique treasure trove of data—this book would never have been written.

And so the story begins with David Ogilvy, who firmly believed that research performed miracles for advertisers, 18 to be exact.[1] It was his strong and consistent application of theories-in-action that led the Advertising Research Foundation (ARF) to establish this unique advertising research excellence competition in 1994. Since then, hundreds of case studies have been submitted to the program, 94 case studies have distinguished themselves as finalists, and 11 grand-prize winners have been honored. These represent some of the finest existing expressions of the creative and effective use of research to drive advertising success. And our source for this book, the Ogilvy Award-winning case studies, forms the raw material for the valuable success stories we share with you.

In the chapters that lie ahead of you, we answer questions about how advertisers engage us, create demand for new products, and keep brands we know and love fresh and alive. We describe how creativity and science are fused to gain a deep understanding of consumers and thus improve the odds of success. And, in particular, we share with you how applied marketers plan, choose, and use the tools and techniques of market research and analysis to better inform the creation and delivery of advertising that drives impressive business growth.

There is great intrinsic value in studying extraordinary performance. Although the status quo of advertising is clear, it is not our purpose to add yet another book decrying that "advertising is broken." Rather, we focus on what is less known: the power of marketing research to drive measurably successful advertising and marketing campaigns that are a critical engine of business growth.

Organizations that are challenging habitual practices—by transforming the way they manage and use research to support and guide advertising—are greatly improving their chances for success. They have demonstrated that to win the marketing war, businesses need to understand, practice, and apply the techniques of research:

- To fulfill the primary role of marketing, which is to fuel business growth
- To support sustaining, as well as disruptive, marketing strategies
- To effectively plan, manage, and measure the diversity of contact points with their customers to optimize the effectiveness of multiple communications: campaigns, messages, ads, channels, and offers
- To better test and evaluate creative, but often subtle, ideas and promises
- To account for customer and brand value, as well as the payback on advertising and marketing campaigns: the return on marketing investment

Our study of the Ogilvy Award winners supports the notion that the effective application of market research and analysis correlates with stunning business success. Over and over again—in the case studies, as well as in personal interviews with the architects and designers of these advertising success stories—it is revealed that advertising and marketing campaigns that achieved greater market share, improved bottom-line revenues, or generated significant positive shifts in attitude, awareness, and perception go hand-in-hand with the ability to deeply understand people's motivations, emotions, needs, desires, feelings, and preferences. With this insight and intelligence in hand, advertisers are empowered to make better decisions. And, the results speak for themselves, as you'll see in the chapters ahead. This data- and insight-driven approach to planning, creative, and delivery was a basic tenet of David Ogilvy's philosophy,[2] and has been proven repeatedly.

This is a book to help you understand research techniques and methods that work. Based on a unique source of award-winning advertising effectiveness case studies, we extract the core characteristics and present the successful application of applied, research-driven plans, processes, and solutions that:

- Ignited brand resonance by successfully positioning (or repositioning) brands to speak directly to the consumer/customer with more relevance, strength, and authority
- Helped companies overcome critical challenges to their core brand essence and transform the way they use advertising
- Optimized product, campaign, and communication efforts aimed at revitalizing brands and generating new customers, segments, or markets
- Literally created new categories of products or services, where none existed before
- Achieved unparalleled bottom-line revenues, sales growth, and brand building

The purpose of this book is to present how leading companies are achieving advertising excellence and profitable business results by exploiting the power of research. Using techniques that deliver astute guidance—from the conscientious study of customer's feelings, perceptions, lifestyles, and behaviors to new ways to evaluate and test advertising—the intelligence and rich detail uncovered in the Ogilvy case studies reveal the habits of marketing and advertising leaders: a playbook you can study, learn, and use tomorrow to increase your probability of success.

Our book's format is straightforward. In Part 1, we begin by diving directly into the stories of how IBM, Lexus, and others attacked major challenges and opportunities.

As the stories unfold, we unpack and examine the traits, context, and research methods that contributed to the extraordinary performances of these market leaders. Along the way, we uncover the market research and customer measurement techniques that support the advertising effort. How radical are the changes needed to reach success? What tools and techniques are available and how are they used? Where and when? How does context affect their use? What success is demonstrated? In our pursuit, we unlock the advertising research toolbox and show how it is used to address a wide variety of internal and external challenges that advertisers face daily in the marketing wars.

In Part 2, we present the notion of research as a hidden asset. From our study of the exemplary Ogilvy stories, we suggest a framework for success, based on the attributes and characteristics of these winning cases. What strengths and limitations exist today in terms of research efficacy? What information can we take and use tomorrow to address our own situation? And, what do we need to do better? We close with a chapter from Gerald Zaltman of the Harvard Business School who extends our excursion and points to new horizons in marketing and advertising, and of research as a vital, but too often hidden, asset for business success.

Part 1

The Winners

INTRODUCTION

This is not a book about advertising effectiveness, although in the process of reading this book you will learn how major advertisers achieved outstanding business results. Neither is it an academic treatise on statistical tools and techniques, although, again, you will be brought face to face with a broad array of fresh qualitative and quantitative techniques and methods used in the course of planning and delivering successful marketing campaigns. In this book, we present how market research and analytic approaches are used in planning, creating, and evaluating advertising to help improve the odds of success.

What we share with you, plainly and directly, is how marketers plan, choose, and use the tools and techniques of market research and customer measurement to better inform the numerous practical and creative decisions that must be made to successfully drive business growth. The chapters are based on real problems and objectives that marketers faced. In short, the case studies capture definitive information about how market research and customer measurement techniques directly support advertising that increases sales, improves the propensity for customers to consider and purchase, and strengthens brand equity.

The Ogilvy Award case studies we examined span 10 years, from 1994–2004, a turbulent time where businesses experienced a technology explosion,[1] the rise of a new advertising, marketing, and research channel (the Internet),[2] continued efforts to develop tools and methods to measure advertising's short- and long-term equity,[3] and attempts to broaden the strategic use of research in advertising and marketing planning, creation, and evaluation.[4] Against this dynamic backdrop, breakthrough ideas and approaches emerged. The Ogilvy Award case studies are a reflection of all the influences, insights, creativity, and business realities that have occurred and continue to shape how we do marketing and advertising.

When the first Ogilvy Awards were announced in 1994, the Internet bubble had yet to form (let alone burst). Substantive work on models of advertising and the measurement of its effectiveness had been done.[5] Many tools of the trade were in place: for example, survey sampling and design, pretesting of ads, and brand equity tracking, to name a few.

Running parallel to the advertiser's world (and possibly presaging the coming era of Customer Relationship Management, CRM) was a popular service quality measurement push, exemplified by the Malcolm Baldridge Awards.[6] This phenomenon, having taken hold first in the boardroom, stimulated the acceptance of management measuring instruments, such as the Kaplan and Norton's Balanced Scorecard and Six Sigma methods borrowed from operations research.[7]

In 1994, overall, things looked bright. But for mainstream advertising, according to Roland Rust, an esteemed academic, a strong odor of impending doom was in the air:

> Mass media advertising as we know it today is on its deathbed, and its prognosis is poor. Advertising agencies are restructuring to accommodate a harsher advertising climate, agency income is flat, agency employees are being laid off, direct marketing is stealing business from traditional advertising, and the growth of sales promotion and integrated marketing communications both come at the expense of traditional advertising. The reason for advertising's impending demise is the advent of new technologies that have resulted in the fragmentation of media and markets, and the empowerment of consumers. In the place of traditional mass media advertising, a new communications environment is developing around an evolving network of new media, which is high capacity, interactive, and multimedia. The result is a new era of producer–consumer interaction… . The new paradigm of 21st Century Marketing and advertising will be dominant by 2010… .[8]

While we wait to see if Rust and Oliver's prediction will come true, it is clear that in 2006 the whole advertising, media, and communications industry is grappling with change and is in transition.[9] And, as with any formidable change that presents itself, resistance is inevitable.

THE OGILVY WINNERS: A BELLWETHER FOR CHANGE

Where can the industry turn for guidance? Experts abound, yet little changes. Perhaps we need to look beyond the comfortable and familiar oracles we regularly seek. In point of fact, we suggest, encourage, and support the notion that there are examples of extraordinary performance happening right now that we can study and learn, and they are contained in the chapters that follow.

We begin by looking at a stellar performance from IBM and their agency, Ogilvy. In this case study, IBM underwent a deep, research-driven self-examination and in the process wound up defining and capturing the essence of "e-business" as a critical part of its total brand image and rebirth as a dominant technology services company. IBM went on to make use of extensive research to make sure they were effectively communicating the emotional and rational elements of their brand necessary to support their transformation. This case study illustrates many of the characteristics of extraordinary winning performances we uncovered: creativity, discipline, thoroughness, and the ability to integrate communications to achieve synergistic branding power and demonstrable business results.

1

Seizing a New Business Opportunity

INTRODUCTION

IBM nearly stumbled at the precipice of the Internet Age. In the early ’90s, when the largest technology boom in history was about to take off, IBM was struggling with a host of inherited problems. IBM was then a vast global conglomerate with incompatible brand strategies, and the company’s brand value was in the doldrums. In 1993, *BusinessWeek* magazine’s Global Brands Survey valued IBM’s brand at just $50 million, and *Fortune* magazine’s cover had IBM under the headline “Dinosaurs?” Something needed to be done; IBM’s brand needed to be transformed and reignited.

In this chapter, we show how IBM responded, in almost textbook fashion, to this critical challenge. Research, coupled with responsive change management, enabled IBM to answer the challenge. This is exemplified by the numerous awards IBM has garnered recently, including America’s Grand Effie in 2002 for best overall advertising campaign in market performance, and two David Ogilvy Research Excellence Awards (in 2000 and 2001). Within each marketing division, there have also been unique successes.

From an overall brand perspective, the change has been nothing short of phenomenal. IBM has gone from being 282nd on *BusinessWeek*’s Global Brands list in 1994 to being the third most valuable brand in the world in 2002, with brand value increasing over 1000 times to $51.2 billion. From the outside, IBM’s image has been transformed from being a fragmented conglomerate to a highly integrated business leader, and it’s an image that it’s now able to transfer to its customers to drive continued business success.

OVERVIEW OF IBM’S “E-BUSINESS” CAMPAIGN

By early 1997, it was clear to IBM that the Internet was an emerging medium with enormous growth potential. This potential market created a major opportunity for a company to capture a significant portion of the projected $330 billion Web commerce revenue in 2002 (as International

Data Corporation estimated at the time) by credibly associating its brand and offerings with the Internet.

In 1997, however, IBM had virtually no association, in the minds of customers, with this category, incredible as it may seem, given their history as a leader in information technology. Yet this perception was critical for consideration by companies who were implementing Internet solutions. Although IBM was well known for reliability, quality, and trust based on its yearly IBM Global Brand Tracking Survey, these strengths were not sufficient to establish leadership as an Internet expert.

By going beyond the numbers and applying some critical thinking, IBM determined that it could leverage its position in total IT solutions and use its breadth of technology expertise as the foundation for delivering solutions in a new, as yet undefined, category of Internet-enabled business. Research led the way in helping IBM flesh out, understand, and validate powerful messaging and then create potent advertising that captured attention and linked IBM to a new business category, called "e-business." By creating this term to represent doing business on the Internet, developing a signature red "e" mark, and then associating it strongly with their core strengths as a brand, IBM achieved almost instant recognition as a force to be reckoned with in terms of Internet business.

Developing Executions

The IBM advertising team and its agency, Ogilvy & Mather, developed a worldwide strategy for establishing the concept of e-business, and an integrated e-business campaign to launch it globally in over 27 countries. In order to develop the advertising campaign to support the new strategy, IBM, in 1997, conducted qualitative research worldwide to gauge its audience's receptivity to the term itself and the messages associated with it. The insight from this effort highlighted the most salient issues among customers, including: security on the Internet, systems reliability, systems migration to the Web, and e-commerce. A major finding was that the term e-business, although unfamiliar to many, was inherently intuitive and attractive to many of the target groups IBM was interested in attracting. In addition, IBM learned that its emotional brand imagery—reliable, trusted, and high quality—gave them immeasurable credibility with this positioning.

For the e-business launch in the United States in October, 1997, Ogilvy & Mather developed an eight-page impact unit to run in the *Wall Street Journal* to introduce the concept of "e-business" to the marketplace. This insert showcased the core topics identified in the research, and introduced case studies of IBM customers who had already adopted an e-business platform. Television advertising was developed to make the message come alive with real-life Internet business situations. These executions touched on each of the hot topic issues identified in the research by using a combination of humorous storylines and dramatic plots.

In order to obtain reactions to the campaign prior to launch, worldwide qualitative creative testing and research were conducted in 13 countries in which these concepts were shown. The results confirmed that the new campaign resonated worldwide: the television commercial spoke to the target groups in an engaging way, while making IBM seem fresh and modern. After multiple revisions, based on the research, the advertising campaign was able to demonstrate a worldwide consistency in message and tone, while still allowing for adaptation to international markets for local relevance.

As soon as the campaign was launched worldwide (in late 1997 and early 1998), the association of e-business with IBM had taken hold and the company was becoming more and more associated with a vision for the Internet. Soon thereafter, a complementary print campaign called "e-culture" was developed by Ogilvy & Mather to accelerate the perception of IBM as a relevant and approachable Internet solution provider with specific solutions designed for all types and sizes of companies. Qualitative in-depth interviews on advertising concepts in multiple domestic and international markets in May 1998 indicated that this new campaign extension resonated very well with target audiences. Based on the research, the copy of the print campaign was refined to even better highlight tangible proof that IBM was a major enabler of e-business and an approachable partner to its customers.

Pretesting

From the time IBM launched the e-business campaign, new advertising evaluation techniques were adopted to provide quantitative feedback in the U.S. and internationally on creative executions in their prelaunch and early launch phases. As a result of testing 21 IBM e-business television commercials in the U.S. and applying these findings to the development of commercials over the next two years, IBM tracked significantly increased performance on core measures of attention (awareness) and brand linkage.

Print pretesting also provided research findings that IBM used to strengthen the performance of the ads in the market. Specifically, the IBM print ads that prominently featured the issues of security and scalability outperformed the competition on critical measures of awareness and motivation. Using a unique diagnostic technique used to track respondents' eye movements as they viewed an ad, IBM learned that primary visual attention was drawn to the area opposite from where the red "e" mark was located. As a result, IBM moved this symbol into a more central position to focus attention and increase awareness dimensions.

Demonstrating Success

From IBM's advertising evaluation research, there was clear evidence that IBM owned e-business. First, the key objective of creating a target level of awareness for the term e-business was achieved quickly, as awareness doubled from the time of launch in the fourth quarter of 1997 to the second quarter of 1999. Second, the association of the term "e-business" with IBM became unmistakable. Among target audiences who became aware of e-business, five times as many associated IBM with providing "e-business solutions" than the nearest competitor. Third, preference to do business with IBM increased 45% among IBM's target audiences over the same time period cited above. The IBM brand continues to gain strength on vital e-business and Internet-specific attributes.

The next phases of IBM's e-business efforts have involved extensions of IBM's original initiatives. Having defined and popularized the notion of e-business on demand, IBM is focusing its product and consulting businesses on enabling customers to transform themselves into on-demand organizations. On-demand organizations are nimble, fast, and responsive to employees and customers and able to exchange information smoothly across organizational boundaries. They support quick responses to changing market conditions and enable the organization to rapidly form, revise, and reinvent relationships with external partners and customers. Finally, they serve their own employees more efficiently by focusing them on business goals and customer value.

CASE STUDY: IBM'S "E-BUSINESS" CAMPAIGN

Shaping Strategy

By early 1997, it was clear to IBM that the Internet was an emerging medium with enormous growth potential. The research firm International Data Corporation (IDC) had projected the number of World Wide Web users to grow to 399 million by 2002, and for Web commerce revenue to increase 40 times ($8 billion to $333 billion by 2002). The data for this projection was gathered during an annual IDC survey conducted in 14 countries and involving 1200 completed interviews of primary IT decision makers. Based on this secondary research, IBM was convinced that to take advantage of this opportunity, and capture a significant portion of the potential revenue, they needed to associate their brand and offerings credibly with the Internet.

The problem was that in mid-1997, as internal strategy talks were underway, IBM had virtually no mindshare in this category. An independent IDC IT survey conducted in the U.S. in late 1996 found that IT decision makers were not associating IBM with the Internet. In fact, the report noted that 25% of respondents chose Microsoft as the IT company most strategically important to the success of their Web-based initiatives, as opposed to 3% choosing IBM. But IBM noticed also in the study that 39% of the decision makers confessed to no brand allegiance, and that is where IBM saw its opportunity.

As IBM began to develop a strategy to seize Internet mindshare, one of the key challenges was to quickly identify and communicate its unique strengths in the category. IBM, of course, was well known for its historical brand strengths of reliability, quality, and trustworthiness. This was verified and tracked via IBM's own Global Brand Tracking Study using continuous interviewing in 27 countries. However, their strengths were not sufficient to capture a leadership position in the Internet space. At that time of great excitement about the Internet, traditional longstanding players in the technology space were viewed as dinosaurs, primed to be extinct. Internet pundits reached back to and embraced such economic theories as Joseph Schumpeter's creative destruction principles, which claimed that cyclical business waves occurred every 50 years that were based on innovation and entrepreneurship, as justification for the inevitable displacement of the status quo.

IBM, however, recognized the enormous potential of the Internet as a way to conduct business, as opposed to the then-current focus on using the Internet for browsing (e.g., as a communications and information-gathering medium). Thus, they determined that they could leverage their position in total solutions and breadth of technology expertise as the foundation of a new category they called "e-business."

The choice of the term "e-business" resulted from a series of qualitative research efforts among business decision makers in which different terms were exposed over time, starting with "network-centric computing," followed by "network computing," then "Internet solutions," and finally "e-business." This research showed that IBM was not uniquely associated with the Internet; however, the term e-business evoked strong associations with IBM. By creating the term to represent doing business on the Internet, and developing the signature red "e" mark, IBM achieved immediate recognition with the Internet. IBM's goal was to define and lead the e-business category by communicating the issues, opportunities, and benefits of doing business on the Web and tying them directly to IBM solutions.

The IBM advertising team and its agency, Ogilvy & Mather, developed a worldwide strategy for establishing the e-business concept, and supported it with an integrated, global e-business campaign in over 27 countries. The primary communications objective here was to generate awareness and understanding of the term "e-business," associate IBM directly with the term in the marketplace, and improve IBM's level of preference as a provider of solutions for doing business on the Internet. Television and Internet advertising were chosen as the foundational media building blocks that would reach IBM's target audiences, with major support from print to augment the plan, followed later by radio.

It is clear to see that the strategy to use TV and Internet first would require strong, clear, and interesting images and messages to capture attention and to build awareness quickly. Print would provide tactical support in the form of much more detailed informational communications that would flesh out and build the case for IBM as the e-business leader. Finally, radio would be used to reinforce and build on the image and messaging now embedded in the target audiences' memory and perception. And the entire campaign would be built around the consistent use of the logo (red "e") and taglines.

In order to test the effectiveness of this new strategy and to build a baseline to measure the impact of the advertising campaign, IBM utilized a process for conducting research that is not common in marketing. The process is based on the concept of convergent validity, which means that if multiple sources and methods of measurement converge on the same answer the confidence in that answer being correct is enhanced. This triangulation method is an integrative research process that is described in more detail in the accompanying sidebar in this chapter.

IBM designed a three-stage process based on the triangulation concept:

1. Developmental research to test basic messages and early creative executions
2. Evaluative research to test near-finished executions before or soon after launch
3. In-market research to test successive executions, individually and cumulatively, as they appeared in media.

In addition, continuous tracking of short of sales measures, such as awareness and brand response, was launched to determine the overall impact of the campaign. In addition, IBM adopted several new research techniques that focused on the emotional impact of ads to improve the efficacy of this process and establish new benchmarks for advertising. These steps put into place a robust system of data-driven insight and analysis that helped IBM and Ogilvy & Mather assess the strengths and weaknesses of their communications and to respond to the marketplace with concrete research-based action.

Sidebar A: Triangulation, an Integrative Research Process

Triangulation is a process that favors an integration of qualitative and quantitative methods. The term was initially borrowed from the realm of quantitative psychology. Donald T. Campbell and Donald Fiske, two esteemed social science researchers, proposed to supplement results by the use of different research instruments. According to their seminal article published in the *Psychological Bulletin* in 1959, "multitrait–multimethod matrices" could be constructed using correlation coefficients between scores obtained with a number of different tests.

These matrices could then serve as a means toward determining the degree of convergence as an indicator of the validity of research results: This was the first sustained effort to suggest that multiple measures could produce better results.

The Qualitative Perspective

Soon researchers took the multitrait–multimethod (MTMM) concept of Campbell and Fiske and applied it to a broader methodological framework. Eugene Webb, while teaching advertising research at Northwestern University, established a collegial network of professionals in psychology and sociology who were studying attitude measurement and other facets of social behavior. These informal get-togethers with psychology colleagues Lee Sechrest and Donald T. Campbell and sociologist William Schwartz led to a volume that was published in 1966 with Webb as the senior author, entitled *Unobtrusive Measures*. This book further advanced the notion that the collection of data from different sources and their analysis with different techniques would improve the validity of results. Norman Denzin, a dedicated advocate of qualitative methods in social research, picked up on this idea. He advocated—in a book entitled *The Research Act*—that a hypothesis that had survived a series of tests with different methods was more valid than a hypothesis tested with only a single method. Because different methods entail different weaknesses and strengths, Denzin opted for what he called methodological triangulation, a complex process of pitting method against method and studying combined results so as to maximize the validity of research efforts in the field. Current practice in marketing research—consciously or unconsciously—makes copious use of these early groundbreaking ideas.[1]

The Quantitative Perspective

From the quantitative perspective, the ability to link and study multiple research perspectives is also possible using Latent Variable Structural Equation Modeling (LVSEM). Although not fully entrenched in the market researcher's toolkit, this powerful set of techniques (which actually encompass well-known and well-used market research methods, such as analysis of variance and covariance, under a general statistical umbrella) permits the exploration and study of models that integrate micro- and macro-level data on key market research concerns, such as consumer behavior. Because both perspectives have weaknesses, a method that permits the testing of multilevel models and recognizes the mutual interaction and effects that both inner (attitude, concepts, perceptions) and outer factors (behaviors, tests, or measures) have on each other is extremely powerful.

Indeed, both facets are vital to market measures and consumer research. The micro perspective, grounded in psychological research, focuses on variations and characteristics at an individual level. In line with the qualitative viewpoint, this approach takes for granted that a focus on the aggregate masks variations among individual characteristics that are important to understanding difficult to measure traits, tendencies, and conceptual thinking.

In contrast, the macro perspective, more akin to traditional market research science and thinking, assumes that regularities in social behavior transcend the apparent differences among individuals. Such thinking allows for group testing, segmentation, profiling, and the like. This approach focuses on aggregate or collective responses—or in some cases aggregate exploration and classification of vast behavioral datasets—and assumes that situational and demographic factors will lead to anchors that can be used to describe similar-behaving sets of people.

The capability to combine both levels in an overarching analytical system is bolstered by a research infrastructure that affords the collection of both macro- and micro-level data. This opens the door to interesting new explorations in the market research space, such as

- Using multilevel models to examine the effect of group-level variables (such as social norms and cultural values) on individual beliefs, attitudes, and purchase intentions, as well as the relationships among those constructs
- Estimating a conceptual model to study advertising effects for individuals who saw the same or different advertisements, as well as for differences related to characteristics of the advertisements, the media context in which the ad was placed, and other perceptual or attitudinal responses to the ads
- Using longitudinal studies, via a dedicated online access panel, to track individuals over time to model such aspects as: a person's needs or self-esteem on trends in attitude toward consumption produced by repeated exposures to media; an individual's need for stimulation or uniqueness on trends regarding satisfaction with a product over time; or a consumer's brand perception over time and how it changes with usage, product involvement, or evolving needs

In brief, a whole new avenue is opened to move freely between qualitative and quantitative perspectives and macro- and micro-level explorations. An online market research infrastructure directly supports this ability to merge, filter, integrate, and study data on levels not feasible before.[2]

Criticism of mixed methods has existed since the original MTMM concept of Campbell and Fiske. Two camps of purists, one qualitative, the other quantitative, believe that the methods are inherently unsuited to each other. However, the potential complementarity of qualitative and quantitative research methods has generally been realized. Hence two meanings of triangulation have emerged: (1) as a process of cumulative validation or (2) as a means to produce a more complete picture of the phenomena under study. What is evident is that triangulation is supported by and potentially made more efficient using an integrated research process or system. Collaboration and interaction, also characteristic of and enhanced by an online system and its delivery, further emerge as ways to increase the potential complementarity of mixed methods.

DEVELOPING THE EXECUTIONS

In order to develop the advertising campaign to support the new e-business strategy, IBM conducted worldwide qualitative research in 1997 to gauge its target audience's receptivity to the term and the messages associated with it. This research was conducted with a total of 32 focus groups in eight countries, including the United States, Brazil, Canada, France, Sweden, China, Japan, and Mexico. In each location, three to four focus groups of six to eight participants (the U.S. market utilized seven groups in multiple regional locations) were held among IT and non-IT workers responsible for technology decisions in their companies. In the United States and Canada, telephone interviews were conducted, and in-person groups were conducted in all other international markets.

The output from this fairly broad survey highlighted the most salient issues of interest to IBM: security on the Internet, systems reliability, systems migration to the Web, and e-commerce. A major finding was that the term "e-business," although unfamiliar to many, was inherently intuitive to the target groups. Additionally, IBM was viewed as a credible vendor to help them do business on the Internet. As a result of this important generative research, IBM reached several important conclusions:

- IBM would need to put considerable marketing weight behind "e-business" in order to make the term widely recognized, understood, and associated with IBM.
- The advertising would have to help build this new category by explaining the issues, extending the concept beyond e-commerce, and featuring customer references and testimonials to demonstrate IBM's unique capabilities.

This data-driven insight supported and enhanced a simple formula: build awareness, associate it with your brand, then extend and target it with information, education, and trust-building supports. As is often the case, Ogilvy winners take basic fundamental marketing strategies, supported and informed by extensive research, forward to success. In this case, as we show, IBM did not stop short with this initial insight, but continued to apply research, in a thorough and disciplined manner, at each step of the process. This is a distinguishing trait of the winning efforts we have seen in our study of the Ogilvy Award winners.

For the "e-business" launch in the U.S. in October, 1997, Ogilvy & Mather developed an eight-page impact unit to run in the *Wall Street Journal* to introduce the concept of "e-business" to the marketplace. This insert showcased the core topics identified in the research, and case studies of IBM customers already involved in "e-business" projects and rollouts. This insert was subsequently launched in multiple international markets. After this initial period of priming the marketplace, complementary two-page print advertisements highlighted each of these individual e-business topics in depth to build upon the IBM "e-business" story. Finally, television advertising was developed to make the message of e-business come alive with real-life Internet business situations. Individual executions touched on each of the hot topics identified in the research through a combination of humorous storylines and dramatic plots.

It is interesting to contrast this effort with another clear attempt to establish a new paradigm: Apple. Apple's unforgettable ad, which ran during the 1984 Super Bowl and one time only, dramatically captured the essence of a "new world order" driven by Apple's Macintosh computers. Here's the text of the ad, albeit without the compelling images, but still effective:

> Today, we celebrate the first glorious anniversary of the Information Purification Directives. We have created, for the first time in all history, a garden of pure ideology. Where each worker may bloom secure from the pests of contradictory and confusing truths. Our Unification of Thoughts is more powerful a weapon than any fleet or army on earth. We are one people, with one will, one resolve, one cause. Our enemies shall talk themselves to death and we will bury them with their own confusion. We shall prevail!

IBM could have been the monolith represented in the ad, the implication was clear, but the complexity and sophistication of the technology scene had advanced quite a bit since 1984. In 1984, Apple was selling a single product, and against very staid and traditional advertising by Atari and RadioShack ironically delivered during the very same Super Bowl time slot. IBM, in 1997, although essentially embarking on a similar objective (to break or establish a new business paradigm), needed to both capture attention and educate about some very sophisticated concepts and business process changes. In addition, they needed to ensure that the newly educated also associated IBM as the premier organization to help them go forward and succeed in this new world of e-business. Finally, they realized that the use of drama and humor in advertising (the essence of the Apple ad) would be best delivered by TV. All of the elements needed to fit together and to work together.

Pretesting

In order to obtain reactions to the campaign prior to the launch, qualitative creative research was conducted in 13 countries in which concepts for print and near-finished production TV commercials were shown as stimuli. This research consisted again of focus groups of IT decision makers. Careful management and cooperation among the researchers, agency, and IBM was critical. One factor in favor of the research was that, although obviously cultural and language differences do exist, the essential core problems dealt with by IT professionals around the world are remarkably similar. And, the research supported the receptivity noted in the initial research toward the new campaign. The TV commercials spoke to the target groups in an engaging and involving way, while simultaneously updating IBM's image.

Focus group participants strongly empathized with IBM's story depicting people like themselves trying to go beyond building Web sites while also struggling with the decision to go on the Internet without really knowing why. Although the humorous spots struck a chord with viewers, one of the more intriguing findings was from the reactions to a dramatic spot that showed hackers breaking into a company's database. The fear factor was tangible in the focus group discussions and caused IBM to red flag this concern and be careful about how they communicated the negative issues encountered when conducting business on the Internet.

The results of pretesting focus groups drove the following actions.

- The TV spots with dramatic undertones were subsequently tested with another pretesting method to understand more deeply the impact of communicating a message about serious Internet and e-business challenges on the IBM brand.
- Revisions were made to the print ad to increase clarity of the message.
- The process and lessons learned for future e-business advertising development were synthesized and shared throughout the organization (worldwide).

Again, careful management and cooperation, driven by the collaboration and shared objectives of the agency, researchers, and IBM, supported the ability to ensure continuity and consistency in message and tone whether it was in the United States, Europe, or Asia.

As the IBM e-business campaign was launched worldwide in late 1997 and early 1998, there were early indicators in the ongoing IBM Global Brand Tracking Survey that showed increased awareness of the term and its association with the IBM brand. This association signaled positive news, however, the perceived relevance of IBM as the premier provider on Internet solutions was lagging. A supporting print campaign called "e-culture" was developed by Ogilvy & Mather to accelerate the perception of IBM as a relevant and approachable Internet e-business provider with specific solutions designed for all types and sizes of companies.

The e-culture message supported and enhanced IBM's position by showcasing their e-business involvement with their customers, and demonstrating the benefits and results that customers derived from the partnership. This message was carefully tested again in multiple domestic and international markets, and included younger tech-savvy individuals who used the Internet for more than e-mail. The results confirmed that the inclusion of supporting stories highlighting tangible proof of what IBM had accomplished with some major clients in the e-business arena enhanced IBM's image. Thus, IBM moved to this more approachable positioning by identifying and educating about the specific applications and benefits of IBM's e-business solutions.

Internet Advertising

An important part of the integrated path that IBM has chosen, in consultation with Ogilvy & Mather, was the use of interactive advertising in the new campaign. Specifically, rich media banner ads demonstrated how IBM had provided e-business solutions to customers through live case studies that featured testimonials from key clients. In addition, flat banner ads were used to build awareness of IBM's e-business solutions.

IBM used a new method for improving their understanding of online ad effectiveness in the context of a Web site. Members of their target audience were exposed, in one-on-one interviews, to the electronic prototypes of interactive ads embedded in a content site in order to observe their behavior in an online environment in real-time. Participants were first shown one of the interactive ads (either rich media or flat banners) embedded in a content page, and their behavior was observed for areas (of the page) they investigated, including click-through to the ad. They were then shown the ad again and were questioned regarding ad attributes and their interpretation of the ad's message.

Subsequently, they were exposed to the other form of the ad, and questioned on their reactions to it. This research provided insight regarding both the strengths and weaknesses of the e-culture interactive campaign, as well as the challenges of communicating consistently in this medium. Specifically, the strengths of the e-culture banners were noted in terms of building positive imagery for IBM as a leader in the Internet; while the challenges of breaking through in the cluttered Internet environment became very clear.

NEW FORMS OF PRETESTING[3]

In the late 1950s and early 1960s, television was just over a decade into its commercialization stage, about as far as the Internet is today. In those days there were just three networks. Programming was in black and white. And a television viewer of today just might find the content tedious in terms of its visual pacing and dialogue-heavy presentation. Television advertising was different then, too. The basic unit of advertising was longer: the 60-second commercial. Many brands advertised in shows with one sponsor and without commercial clutter. And there were fewer brands doing television advertising, but with more commercials surrounding the brand with a variety of messages.

Pretesting, or copy testing, was critical to the success of the IBM e-business campaign. IBM was at a crucial three-way juncture. First, they were basically creating a new category of services and solutions, a sophisticated mixture of existing and rapidly developing expertise built upon technology and the Internet. New concepts had to be introduced and explained. This was not a simple product, such as a computer. Second, IBM was adopting a true integrated marketing communications plan that involved the coordination of messaging across TV, print, and the Internet. Each had varying communication idiosyncrasies that had to be understood and addressed. Third, the campaign messaging was multitiered; that is, it included informational communications to teach, creative imaging to garner attention and develop positive emotional ties to the brand, and reinforcement messages (case stories, testimonials, etc.) to support the campaign.

There are four general themes woven into the last half-century of copy testing. The first is the quest for a valid single-number statistic to capture the overall performance of the advertising creative. These are the various evaluative measures that are used to filter commercial executions and help management make the go/no-go decision about which ads to air. The second theme is the development of diagnostic copy testing, whose main purpose is optimization, providing insights about and understanding of a commercial's performance on the evaluative measures with the hope of identifying creative opportunities to save and improve executions. The third theme is the development of nonverbal measures, based on the belief of many advertising professionals that much of a commercial's effects—for example, the emotional impact—may be difficult for people to put into words or scale on verbal rating statements and may, in fact, be operating below the level of consciousness. The fourth theme, which is a variation on the previous two, is the development of moment-by-moment measures to describe the internal dynamic structure of the viewer's experience of the commercial, as a diagnostic counterpoint to the various gestalt measures of commercial performance or predicted impact.

Because the key advertising channels IBM wanted to use work differently, unique quantitative testing methods were adopted for the evaluation of creative opportunities in each medium. Specifically, for TV, the method used not only provided traditional performance indicators and diagnostics, but also unique visual impact diagnostics to understand the frames in the commercial where attention and emotion are strongest and weakest. This method has been developed and refined by Charles E. Young, Ameritest/CY Research, and is based on a multidimensional model of advertising.[4]

For print, IBM used a method that generates perceptual diagnostics based on the tracking of eye movements through an ad. Both methods provided learning on competitive advertising for comparison effects, and had been tested and used internationally to provide an understanding of how IBM's advertising worked on a worldwide basis.

As a result of testing 21 IBM e-business television commercials in the United States, IBM significantly increased their performance on the core dimensions of attention and brand linkage. IBM commercials generated stronger attention (38% improvement year to date) and better linkage (31% gain year to date) while consistently generating stronger attention than the competition: nearly twice as much.

The results of these image-based diagnostics helped IBM to improve ads, and also determine which ads not to run. For example, an attention-getting and motivating commercial, entitled "Christmas," was found to be weak on linkage to the brand. Based on this research, the key visual focus area was adjusted to place a branding moment at precisely the frame where attention was high. To support this, the title card at the end of the spot was revised to focus on IBM as the solution, as opposed to another emotional tagline. Emotion and attention were thus captured at the peak flow of the ad, whereas the end title directly tied IBM's business message, which was "Self service Web sites by IBM." It is the tie-in of the rational and emotional buttons that made this ad a winner, doubling its linkage effect on subsequent measurements. This process of ad building has become almost a de facto standard now at IBM. Sidebar B presents a more detailed look at emotion and meaning in advertising.

A second example of the power of research and pretesting involved the aforementioned dramatic spot discussing the security issues of the Internet. One ad concept, "Hackers," had initially raised a red flag based on negative comments from focus group participants. Based on the quantitative pretest, however, this commercial proved to be very motivating for the brand. What IBM learned was that although the situation of hackers breaking into a computer system created fear in viewers, the introduction of the IBM brand spun these emotions into positive ones, resulting in strong motivation to do business with IBM. The key was to display the trusted IBM end title card to communicate directly to the audience that IBM was the one who could protect them from this threat. This tactic built on enduring trust and quality attributes. Based on the research, the commercial was aired, and proved highly successful.

Sidebar B: Emotion and Meaning in Ads

Organizations tend to shy away from evaluating the emotional element in advertising, as important as it is, based on perceptions of the ineffable qualities it holds. Yet, ongoing research at the Advertising Research Foundation suggests that the emotional side of advertising may be its most important element.[5]

Although specific research on emotion and motivation in advertising is in its infancy, despite early work by Dichter[6] in the 1950s, there are foundational theories and concepts in related areas, including perception, cognition, learning, aesthetics, advertising, and theater/film research (particularly editing) that are available to help marketers better understand this topic. Specifically, there are two areas that hold strong potential to help guide our exploration, study, and thinking:

- The theory of signs and symbols
- Information theory and aesthetic response

Suzanne Langer, a philosopher and academic, wrote elegantly about how signs and symbols (brands are symbols), stories, and myths by their nature are very efficient communicators.[7] She predated current "right brain–left brain" thinking with her discussion of discursive (cognitive) and presentational (emotional) forms. In simple terms, she proves, within philosophical parameters, that human beings are constantly carrying on a process of symbolic transformation of experience. What this means, in relation to advertising, is that (in general) products are seen and felt (rationally and emotionally) as signs or symbols (brands), but a higher level of involvement, engagement, and impression is achieved when the brand symbol traces (or becomes a part of) a basic artistic form, such as a story's introduction, tension, and resolution. This basic form of the emotive life (beginning, middle, and end) is anchored in how we think, feel, and make sense of our sentient life.

This makes perfect sense, as gestalt and information theories of art are theories of perception. In addition, these theories are built on the concept of analysis before synthesis, as they move toward understanding the aesthetic import of an artistic effort as a whole through the audience's perceptual evaluation of the parts. In the same general spirit, diverse perceptual theories and modes of analysis have been applied to all presentational forms, including plays, movies, dance, and music.

As an example, in the 1960s, Daniel Berlyne turned to the traditional experimental aesthetics of prior research, such as that completed by Fechner at the turn of the twentieth century. In his book *Aesthetics and Psychobiology*, Berlyne[8] (1971) gathered forces from several related and developing lines of psychological investigation to synthesize what he termed a "new" experimental aesthetics.

Berlyne drew on information theory to explain how emotional, verbal, and contextual elements contribute to the aesthetic. He also uncovered elements in behavioral theory that suggested that searching for novelty is an intrinsically motivating activity.

Advertisers know intuitively that certain things provoke us to seek information more readily. For example, stimuli that contain variety, and which reward us with levels of information we can readily digest, are pleasurably engaging. Berlyne named these stimuli "collative." Collative properties include novelty, surprise, incongruity, and ambiguity that touch an emotional chord of empathy that has recently been traced in brain research. Art (and advertising), then, has collative properties.

To complete his highly original integrative work, Berlyne tapped into the psychophysiology of motivation and emotion, particularly the relationship between arousal, self-reward, and stimulus exploration, to provide his theory with a general biological foundation.

With all this in place, Berlyne measured psychophysiological (heart rate, galvanic skin potential, electroencephalography), behavioral (exploratory looking or listening, time spent attending, choice, preference), and verbal (self-reported ratings of pleasingness, likeability, engagement) elements to assess levels of hedonic arousal and aesthetic appeal. As can be expected, the relationship among all these elements is multidimensional and nonlinear, and highly suggestive of the power of symbolic form to communicate with more power and direction than nonaesthetic efforts.

Claude Shannon, in the 1950s at Bell Labs, developed mathematical models that directly support a hierarchy of informational impact. According to information theory, the basic elements of any general communications system include:

1. Information that is emitted from a device (or source) that transforms the message into a form suitable for transmission by a particular means
2. The means or channel over which the message is transmitted
3. A receiving device that decodes the message back into some approximation of its original form
4. The destination or intended recipient of the message
5. A source of noise (i.e., interference or distortion) that changes the message in unpredictable ways during transmission

It is important to note that "information" as defined in information theory has nothing to do with any inherent meaning in a message. It is rather a degree of order, or nonrandomness that can be measured and manipulated mathematically. A mathematical characterization of a generalized communication system yields a number of important metrics, including:

1. The rate at which information is produced at the source (in essence, the "sending" [signal] quality of an advertisement's audio/video)
2. The capacity of the channel for handling information
3. The (conditional) "weighted" amount of information in a message of any particular type

Information theory applied to aesthetics, however, is concerned with accuracy, efficiency, and effectiveness in communications. It deals with whether symbols convey their intended meaning, how extraneous noise introduces "error" into communication, and whether all portions of a message have an equal impact. In that elements of a pattern are related or interdependent, for example, their structure (order) is high and their information value low (efficient). In other words, they are easy to communicate and process. To some degree, this is what aesthetics is all about: relaying complex, well-structured, and emotional signs, symbols, stories, and myths in a simple way that can be readily comprehended and felt by the audience. In information theory terms, audience and artist play critical reciprocal roles mediated by the informational structure of works of art. It is no different in the world of advertising.

The techniques used in information theory are drawn from the mathematical science of probability. Estimates of the accuracy of a given transmission of information under known conditions of noise interference, for example, are probabilistic, as are the numerous approaches to encoding and decoding that have been developed to reduce uncertainty or error to minimal levels.

Abraham Moles, a distinguished French researcher and academic, took Shannon's ideas one step further and validated the theory that an artistic form (such as a story) carries stronger import (impact) than that to which the separate pieces would add up. He was one of the first to suggest the use of the word *synergy* in this sense. This directly supports the concept that there exists an advertising impact that is driven by an (artistic) emotional foundation (beginning, middle, and end; the basic form of stories, music, and myths). IBM certainly found in their pretesting of TV ads, and subsequent running of them, the power of using a compelling and dramatic story form.

Moles posited a succession of levels of perception to reflect the concept of gestalt, of form perceived as whole. Each sensory channel has several levels of perception that correspond to a distinct message and each possesses symbolic features that differ in extent, structure, and strength. Contrary to our common sense, the most original message is that composed of symbols all having an equal probability of occurring. This "maximum information" message is equivalent to what we would sense or identify as chaos (white noise).

Thus, such a message is meaningless if the individual cannot decode it. *Decoding* means translating the message from the special language used by the channel to a form that strengthens the clarity of information to the individual. *Redundancy* provides a warranty against errors in transmission, because it permits the receiver to reconstruct the message even if some of its elements are lacking. As TV viewers, for example, we don't even have to attend that closely to the show or ads, but on the basis of a priori knowledge of the structure of the language, signs, or symbols used, we derive understanding, meaning, involvement, or enjoyment. Thus, a communication experience is mediated by a level of observation adapted to the setting or content of an advertisement, such as attending to a serious dramatic storyline versus a humorous one, or a purely informational advertisement.

Information theory also sheds light on the concept of form (as so eloquently discussed by Langer). Form is a group of elements perceived as a whole that are purposefully planned and executed. Form becomes a packaged message that appears to the observer as not being the result of random events. From this, we are able to select, from complex and redundant messages we continuously are receiving into consciousness, a few critical elements that combine to provide a regular and consistent understanding of what we see and hear every day. Thus, form (gestalt) is a primary element of structure and as such allows us to make sense of what we perceive. This directly supports the observation that a basic element of advertising integration has to do with the strength it engenders based on a hierarchy of elements: from white noise to a clearly emotional, symbolic, or aesthetic story.

Going deeper, a *symbol* is a known constant used in grouping subelements into a recognizable whole. These collections of motifs trace paths that make their mark along the continuums of expected/ unexpected, intelligible/unintelligible, and original/unoriginal. Thus, the concept of symbol is intimately connected to that of form. To create an elementary and meaningful form is to build into the message a redundancy, or in information theory terms, a statistical probability toward expectation (and fulfillment).

Knowing what to expect is our human capacity to sense, as the message unfolds in time or space, what will follow based on what we have just perceived. This ability is natural and inherent in all of us, and achieved via awareness of archetypal patterns (myths, stories); for example, the whole is contained within the part. Emergence in terms of symbolism means extracting a form from undifferentiated consciousness. It is retrieved from the broad repository of images (symbols in context) we hold in memory that forms our stream of consciousness.

The message most difficult to transmit with any power is that without redundancy (with maximum information), hence without any a priori form. It is the weakest message. Interestingly, this message is most devoid of emotional value and of any meaning (it doesn't have a suitable context). It lacks quality or essence. In terms of the IBM ads, it would be exemplified by an IBM logo sitting motionless on the screen for 15 seconds.

Structures are equivalent to mental forms. The more structured a message is, the more intelligible it is, the more redundant it is, and the more meaningful it can be. As an example, consider the interdependence between figure and ground (foreground and background). The figure (form) is defined by its opposition to the background. That is why we notice and respond to a product when someone moves toward it or touches it as part of a scene in a commercial or, increasingly, in a product placed within a TV show or movie. It is also why the end title card of IBM ads works so well. From all of these dynamic elements we draw the symbols together that serve to influence us.

In summary, the rate of a message's information flow is determined by the structures that a person perceives in the message. These structures are created by memory, which summarizes the set of messages the individual has already received. The person, as Langer would say, is continually engaging a symbolic system to understand experience. Each message modifies our capacity to receive succeeding messages. And our memory spontaneously creates new symbols by associating the set of elementary perceptions we receive with a set of elementary sensations (and we can do this with a limited or a reduced number of these sensations). The sensation becomes the symbol, exemplified by story, aesthetic form, and so on. Symbolization is thus a reduction in the number of elements that results from frequent repetition of a smaller group of elementary sensations. The degree to which the brand is integrated into the message determines its efficiency, effectiveness, quality, and ultimately, how well it engages people.

DEMONSTRATING SUCCESS

IBM gathered clear evidence of their success for this case study. First, the key objective of creating awareness for the term "e-business" was achieved as awareness doubled from fourth quarter 1997 to second quarter 1999, based on IBM's Global Brand Tracking Study among IT decision makers in five major markets (United States, United Kingdom, Germany, Japan, and Brazil). Second, the association of the term "e-business" with IBM became unmistakable. Among target audiences who were aware of e-business, five times as many associated IBM with providing e-business solutions than the nearest competitor. Third, preference to do business with IBM increased 45% among IBM's target audiences over the same time period.

The IBM brand also gained strength on e-business- and Internet-specific attributes. As a result of the advertising, IBM's image improved significantly on the following core measures (time period fourth quarter, 1997 to second quarter, 1999):

- Leader in the development of "e-business" solutions = +62%.
- IBM enables businesses to collaborate/share information efficiently = +33%.
- IBM helps companies to securely manage/publish/deliver information = +32%.
- IBM helps companies to utilize the Internet to buy/sell products/services = +30%.

Finally, the marketplace has recognized and adopted the term "e-business," providing IBM with a de facto plug every time it is used. Not shortly after IBM moved forward on the e-business campaign, many of their competitors tried to copy them and build upon their success. IBM did a content analysis of over 150 print publications stored in the Dow Jones Interactive database covering monthly periods commencing in 1997. They found that the term "e-business" demonstrated exponential growth (into late 1999, when the case study was submitted) in usage. This was evidence that the term rapidly became a part of the business world's vocabulary. In addition, IBM segmented the mentions and associated the term with the IT firms mentioned, and found that IBM held a dominant position here as well.

In summary, the research conducted across the ad development and execution process helped IBM to achieve major objectives: launch the e-business campaign, achieve significant mindshare for the term "e-business," and strongly link association of the term with IBM as the preferred provider of solutions for doing business on the Internet.

CODA TO IBM'S E-BUSINESS CAMPAIGN

IBM continued to utilize extensive research protocols as their e-business concepts, and the category as a whole, evolved. In 2002, they won a second Ogilvy Award and accolades for their e-Business Infrastructure campaign. Using an integrated set of 10 separate methods for messaging, testing, and tracking, both qualitative and quantitative, they achieved extraordinary success, particularly in revenue growth. Although it is always dangerous for advertising to take credit for top-line sales, in this case, IBM tracked leads to sales via a direct method, using their CRM sales automation system. The results were spectacular, as sales targets were exceeded by 300%.

IBM credits, largely, the insights driven by the research, which uncovered that technology decisions were no longer handled strictly by IT personnel. Cross-function committees, comprised of IT and non-IT management, were becoming common in the IT vendor selection and infrastructure purchase process. Thus, IBM's effective combination of accessible TV ads, which spoke to IT and non-IT customers alike, coupled with their educational print campaign, positioned them quite well to go forward. IBM continues today, with their On Demand positioning, to lead the industry with this successful formula.

2

Creating a New Business Model Where None Existed Before

INTRODUCTION

As auto leasing gained favor in the early 1990s, automakers recognized a need to help dealers manage the influx of a new kind of used vehicle. These were cars with relatively few miles or defects, leased for short-term use. Automakers began reconditioning these cars to like-new standards, offering such benefits as manufacturer-backed warranties, and selling them at a premium versus traditional used car prices.

Certified Pre-Owned (CPO) sales held promise. Essentially, they improved residual car value and extended future brand resale. Today virtually every automaker has a CPO program. These programs offer real value to consumers, too, by quelling the risk and stigma associated with standard perceptions of used cars by actually offering used cars held to a high-quality standard backed by the manufacturer.

CASE STUDY: LEXUS AUTOMOTIVE "CERTIFIED PRE-OWNED"

The Business Problem

Although a great idea in theory, there was a lingering problem. Most consumers were not aware of what CPO was and the benefits of CPO cars. It quickly became apparent that consumers did not necessarily see the value in paying more for a used car simply because it was certified. And Lexus, the focus of this case study chapter, began to get the message from their salespeople that, despite sincere and thorough efforts to educate shoppers about the value and benefits of CPO in the showroom, consumers were quite skeptical about this new information, particularly when it was often delivered at the point of purchase.

Team One, who has been Lexus' national advertising partner since the automaker's 1989 debut, was brought in at this critical juncture to see how they could help boost CPO sales. For Lexus, this would mean a related increase in residual values vital to their continued success as the number one selling luxury automaker. For Team One, it would be another in a series of advertising and communications projects they had worked on so successfully for the Lexus franchise.

WHERE DO WE START?

Team One was no stranger regarding the use of research. In fact, they had been Ogilvy Award Finalists three times: once for Nextel's Boost Mobile, and twice for innovative and successful advertising for their flagship automotive client, Lexus. However, this challenge was different.

Mountains of data existed to profile new and used luxury car buyers. Nevertheless, there was no comprehensive research on certified preowned buyers in 2002.

The path was clear. To assist Lexus in tapping into the potential CPO market, Team One designed a multiphased research plan, beginning with a quantitative segmentation and purchase process study to identify the most viable targets and how they shopped for CPO cars. Qualitative research followed over the next 18 months focused on better understanding car shoppers. Finally, new measures of success, marketplace audits, and tracking studies were designed and put into place.

In brief, the research revealed that luxury CPO buyers were a different breed than used-car buyers. The auto industry's approach to marketing CPO vehicles was completely discordant with these consumers' real needs and shopping patterns. The research served not only to identify the need for a new approach to marketing CPO cars, but also to frame the most relevant and effective messaging and media strategies to accomplish the goal. This was not simply building a new campaign for Lexus, but a shift in how the entire class of CPO vehicles would be marketed to luxury car shoppers.

HOW RESEARCH SHAPED STRATEGY

Figure 2.1 presents the extensive research timeline for the Lexus CPO project. In the following pages, we look in detail at the various steps in the process. What is immediately clear is the extensive planning and integration of research, after the need was established, by Team One. Diving into this project, they initially went to secondary and in-house research, but quickly realized that this was a dead end. Then, as the research need unfolded and the research question was clarified, they took a bold leap ahead, which was: this is a research problem first, then a communications one, and finally an advertising task. This is not the typical approach that agencies might take. However, it is a key principle underlying the value of the Ogilvy Award-winning approaches. This is not "research for research's sake," but a customer-centric approach to learning, insight, and

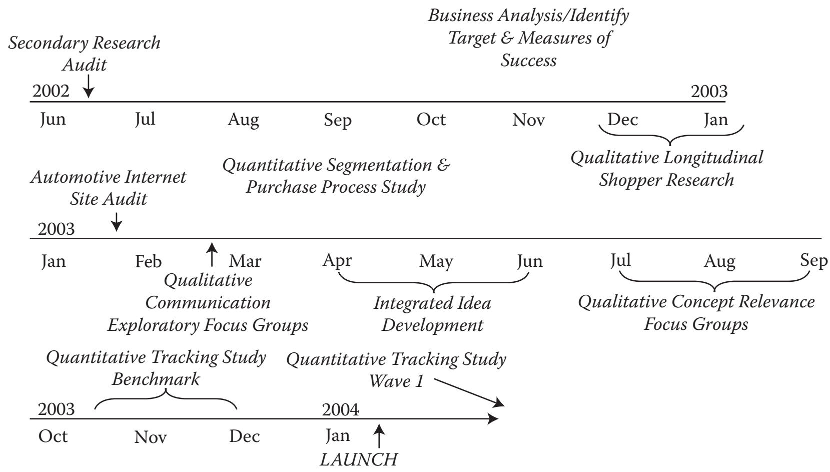

FIGURE 2.1 Lexus research timeline.

intelligence, a necessary component of the entire advertising and communications process that needed to be in place for success to be attainable.

STEP 1: ASSESSING MARKETPLACE POTENTIAL

Team One uncovered a plethora of used-car buyer data, but a secondary research audit revealed no existing data sources that detailed CPO buyers' attitudes, behavior, and shopping patterns. Auto industry wisdom at the time was that CPO buyers were like used-car buyers in nearly every respect. Lexus wanted to increase CPO sales, but had run into a roadblock. Without specifics about the potential buyer, it was unclear where the greatest opportunity resided in the marketplace to generate incremental sales by extending the brand value. Who could be targeted? How? Moreover, what is it about the Lexus CPO program that would be most relevant to them?

Together with Lexus, Team One developed a research plan to discover the most viable sets of buyers and explore how they shopped. The research question was: "Who are luxury CPO owners and intenders, and what can we learn about them that will improve Lexus CPO marketing communications?"

The resulting two-phased plan included a quantitative segmentation and purchase process study to identify the most viable targets, followed by a qualitative study to hone communications to that audience. Following an approach in which each phase of learning builds upon the last, phase one learnings guided the specifics for phase two, which ultimately became a longitudinal shopper research study. Along the way, exploratory focus groups centered on understanding the elements of communicating the right message to the right people. Phase 1 included:

- A quantitative study of CPO car owners and intenders, including a competitive evaluation
- Validation of intender groups
- Exploration of perceptions of Lexus and competitive CPO programs
- Query and examination of the CPO purchase process, and the lifestyles, interests, and other attitudinal aspects of owners and intenders

Phase 2 built upon the survey results and explored motivation to purchase, communication relevance, emotional triggers, and loyalty issues. This was accomplished with focus groups and one-on-one interviews with Lexus and competitors' CPO owners and intenders.

Busting Myths

The foundational research outlined above led to an unexpected conclusion: luxury CPO buyers are an entirely different breed from used-car buyers. Based on the research, Team One mapped out the patterns of the CPO purchase process. Surprisingly, pricing and budgeting decisions, which drive used-car buyers' purchase process from the beginning, do not factor into the CPO buyers' process until much later. This finding was critical in leading Lexus and Team One to the conclusion that CPO buyers actually mirror new-car buyers' shopping patterns and behaviors, rather than used-car ones.

Like new-car buyers, CPO-buyers' brand choice drives their five-plus-month purchase process, as opposed to the pricing/practicality factors which drive the shorter, closed-loop, two-month used-car buying process. People interested in CPO vehicles begin with a consideration of what brands and models are right for them. Status, image, and the more emotional elements of purchase are at play. Price comparisons and budgeting, paramount concerns for used-car shoppers from the outset don't appear in the CPO buyer's decision-making set until much later. Team One prepared graphical comparison charts for Lexus that clearly mapped this difference.

Segmentation

Using cluster analysis of quantitative data collected in Phase 1, Team One's analysis revealed attitudinal and behavioral characteristics that suggested the most "certified-friendly" segments in the luxury automotive marketplace (e.g., people who were more comfortable buying from a dealership than a private party).

Most organizations operate with a de facto segmentation policy, sometimes informal or based on experience, which gets the job done, but is usually quite inefficient and less than optimal. Traditional market research firms offer products that are based on generalized techniques to help clients move targeting up a notch, but are not truly designed to achieve breakthrough results. Team One and Lexus boldly chose to go beyond the status quo. The automotive industry is highly competitive, with subtle nuanced shadings between customer segments and within customer groups. Team One's initial research helped them grasp the fact that without a detailed segmentation, they would be missing some unique, relevant, and profitable opportunities for Lexus.

Team One's segmentation validated the fact that the CPO buyer's landscape is dynamic, multidimensional, and unlike used-car buying segments. Given the importance of emotional factors in the purchasing decision, standard geodemographic targeting, or mass-medium audience awareness building, would not be sufficient. To achieve breakthrough to a new level of marketing success and accountability, a more robust, in-depth, and intelligent method was used.

To go beyond standard traditional approaches to discern precise and useful target segments, both attitudinal and behavioral information was included. This involved the fusion of data about not just what people do, but what they feel and think. Using rational and emotional indicators helped Team One identify segments that met the following best-practice criteria to potentially achieve solid marketing performance.[1]

- Segments must be identifiable, that is, they must be recognizable in the marketplace.
- They must be substantial, that is, have the potential to produce sizeable revenue for the Lexus CPO program.
- They must be accessible, that is, reachable via existing or new, better matched/targeted advertising and communication activities.
- They must be responsive, that is, show evidence of differential reactions to marketing and advertising programs.
- They must be stable, that is, be relevant for a substantial period of time so that marketing/advertising efforts have a chance to take effect.
- They must be actionable, that is, provide clear tangible guidance, above and beyond the status quo, for marketing decisions.

In selecting the core targets, Team One produced clear actionable segment and target group profiles to guide Lexus' advertising and marketing communication efforts. Their study showed the best opportunity segment was "Status Seekers." This brand-loyal group is ambitious and looking toward future achievements, and tends to move on to new car purchases after CPO. Thus, they represent not only an incremental growth opportunity for Lexus, but a sustainable, potentially long-term, one.

Team One presented not only a deep-dive profile of this segment to Lexus, but also an eight-minute video demonstrating what this group looks like. A typical market research report probably would not have gone to these lengths. The difference here is that Team One was using research strategically, and tying it to the business problem, as opposed to delivering a research exercise.

Following the best-practice guidelines above, the profiles included projected potential sales, size of segments, and a marketing profile that would guide communications, messaging, and advertising mapped to how and where the segments shopped. This actionable information, coupled with a powerful graphical depiction, is often the missing piece in standard segmentation approaches. Team One had built all this into the strategic development process, further demonstrating the power of an integrated approach to marketing intelligence and marketing communications.

Qualitative Research

Armed now with a rich and robust segmentation, Team One sought to assess how the CPO communications might work across the buying process. What messages were these car shoppers tuning in, and out, during their purchase journey? Why were potential CPO buyers falling out of the purchase funnel? Qualitative research, based on one-on-one panel interviews and car-shopping focus groups across an extended timeline, was designed to hone the communications that would reach the newly identified target segment at the right time and the right place.

Early in the research pipeline, it became apparent why salespeople were feeling the burden of educating shoppers on CPO's value proposition. Very simply, until the point of purchase, shoppers were not even aware that CPO existed. Here, when salespeople were offering options, the potential buyer unfortunately perceived a sincere educative exercise with skepticism. What buyers, particularly the receptive status-seeking target group, wanted was to have information they'd personally uncovered on the Internet (such as about what CPO was and its benefits) to be reinforced at the dealership, as opposed to learning new information (no matter how well meaning) at the dealership at a critical moment when they are receptive to purchase.

Confirming quantitative learning about where CPO falls in the purchase process, a clear picture emerged. CPO was meaningless to potential buyers until their information-seeking phase (about three months before purchase decision, but after an emotional brand and model search and discovery phase). If the potential buyer did not have a short list of car models yet, which was built more along emotional lines than practical ones, CPO was not a relevant factor. People fall in love with car brands, not programs.

New Rules of Engagement

The value of an ongoing and long-term research plan really began to bear fruit. Team One, via this longitudinal qualitative research, began to see a clear fact emerging: the auto industry, in general, was missing the boat with its approach to CPO advertising. Spending millions each year on TV ads for CPO, they were talking, but consumers were not listening. The industry, Lexus included, was treating CPO as a vehicle model in TV ads, touting benefits such as inspection and warranty. However, people in the real world were operating by a different set of rules:

- CPO was not a product for which people shop; they shop for brands and models.
- Once they home in on favorite or preferred brands and begin shopping, they are focused more and more on information discovery enabled by the Internet, not on TV ads. Although car buying still takes place predominantly at dealerships, over two-thirds of consumers shop (look for information, comparison shop, etc.) on Internet auto sites. In other words, the Internet has transformed car shopping (consideration), but not necessarily buying (actual purchase).

Although television still casts the widest net for ringing the bell about brand image and model preference in the early stages of the shopping process, it is ineffective for CPO. Research confirmed that TV ads for CPO were misperceived as simply car ads. The actual message was tuned out. Given that CPO is not relevant until well into the shopping process (after buyers have made crucial emotionally based brand and model decisions), it makes sense why they made no distinction between car ads and CPO ads on TV and, as well, why they were confused or skeptical when the salesperson started educating them about the value of CPO almost at the point-of-purchase.

This may appear to be a simple revelation, however, it is clear that it was only through looking at things via the lens of the customer that everything made sense. Most organizations still tend to focus inside out, and although they may save some modest research costs, the marketing dilemmas and communications failures continue to pester or haunt them. If there is one message clearly coming through our case studies, it is that to understand customers, you must apply proactive and well-considered research techniques and methods. The evidence is here in this book.

New Marketing and Media Strategies Emerge from Research

Given the new rules of engagement, it became clear that the opportunity for CPO lay with Status Seekers who were actively car shopping, potentially with over two-thirds of them on the Internet. A revised communications strategy was put into place that left the job of brand

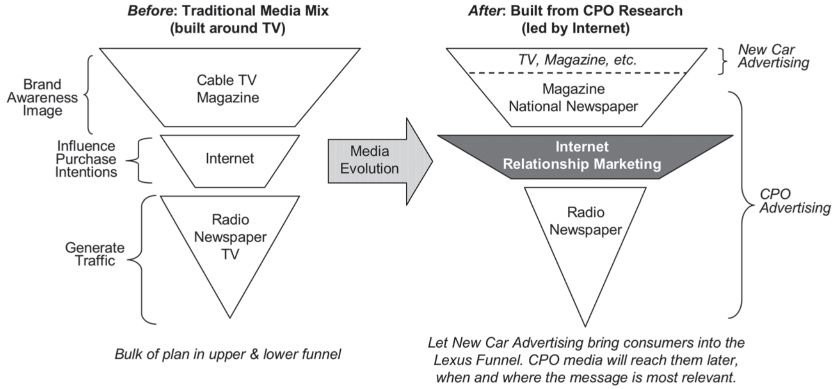

FIGURE 2.2 A media evolution.

building to Lexus' new-car advertising, and enabled CPO to reach receptive consumers who had already put Lexus on their consideration list. Team One characterized this as a media evolution (see Figure 2.2).

Thoughtful, compelling, and dynamic research evidence was presented to persuade key Lexus decision makers, including dealers, to mess with the secret sauce. But, as expected, old habits die hard: walking away from a media plan built around television was seen as a risk. The forces of organizational change (and its resistance) are continually at work. Team One had to offer strong relevant information and intelligence at this defining moment to tip the balance toward taking a risk to re-establish the stability and order that Lexus decision makers felt was in jeopardy. But one final hurdle remained.

Being in the right place was step one; step two was to deliver the right message. Here is where a problem emerged: auto Web sites, which research revealed to be the "car shopper's bible," offered little to no information on CPO. Yet, the major auto sites accounted for 85% of car-shopper traffic online. Team One discovered:

- The sites were designed with two entry points on the landing page: New or Used.
- CPO information was virtually nonexistent. When it was referenced, it was buried within the used-car channel, working at cross-purposes to how Status Seekers shopped and what they were looking for.

Armed now with powerful support, segment definitions, and new insight concerning the CPO buying process, Team One could turn to fulfilling their major objective, which was to maintain Lexus' status as the number one selling luxury automaker. CPO sales would be a critical competitive advantage. Nevertheless, the challenge remained: to increase sales, consumers needed to be receiving the CPO message, at the right place and at the right time.

STEP 2: PUTTING MARKETPLACE ASSESSMENT INTO ACTION

To build awareness and transform consumer perceptions of CPO, Team One needed to transform the business: align it with real consumer behavior. The auto sites were the right forum to deliver CPO information at the right time and place, but the sites needed to be convinced.

This turned out to be a bigger challenge than expected. Team One and Lexus held literally hundreds of meetings and presentations to persuade auto sites to fundamentally change their business models. When sharing the research insights with reps, editors, content managers, and ultimately with CEOs, they saw surprise, intrigue, and more than a little hesitation. As the gateway to information-hungry car shoppers, auto sites are the only major trusted third-party source to research and compare vehicles.

Opening up a "third category" (see Figure 2.3) to car shopping required convincing auto sites to create CPO channels, on a par with new and used. To get sites on board, Team One had to change their role from "ad buyer" to "idea seller." With sites conditioned to their usual persona, as sellers of media, it was a challenge to convince them that Team One was not interested in their existing ad space, but literally in redesigning how they presented information.

FIGURE 2.3 A new category of car buying.

Key to Lexus and Team One's pitch was that the CPO channel would provide auto sites with a whole new revenue stream: new ad space and vehicle listings they could sell to Lexus and their competitors. To legitimize a real third category to consumers, it was critical to invite competitors to list their CPO inventory alongside Lexus. But to ensure Lexus got credit for leading the effort Team One negotiated long-term exclusive branding throughout the new CPO channels.

The partnerships that were negotiated and agreed to resulted in a seismic industry shift on January 12, 2004, when eight major auto sites launched new CPO channels on their home pages. The new channels offered discrete robust research and information for car shoppers to become educated while they searched for information and looked for nearby CPO dealers and vehicles.

STEP 3: EVALUATING THE IDEA

In tandem with building out the third category concept completely, it was essential to secure final validation with CPO-relevant consumers currently shopping for cars. Although the research had accumulated incontrovertible evidence, this was a big step for Lexus and the auto sites, who requested a final validation study.

For the final test, Team One recruited appropriate target CPO consumers and tested ideas regarding what to communicate and where. Understanding which elements of the CPO program were most salient with consumers was essential for the auto sites, who were also relying on Team One insights to develop editorial for new CPO channels they would be asked to launch.

The result was that shoppers, who initially reported how unimportant CPO was to them, were now enthusiastic over being given a third option. The reasons discovered earlier held up: a third choice differentiated the CPO option, putting it in its proper place in the purchase funnel and taking away the stigma of CPO as another version of used cars. The research revealed that this was relevant and resonated with CPO shoppers. This resoundingly positive response confirmed the validity, strength, and breadth of the idea. And, it allowed Team One to build out communications across all media channels of relevance to car shoppers.

The research also provided insight on the most relevant details about CPO for auto site writers to develop CPO channel content, as well as for building a LexusCPO.com site. The research provided the final validation and intelligence to seal the deal between Lexus and the auto sites. The new third category was about to become a reality.

STEP 4: INSPIRING CREATIVE

The rich and abundant research made it clear to Team One that although consumers were largely unfamiliar with CPO, they were open to its specific benefits later in the purchase funnel. Historically, Team One's ads for Lexus CPO touted "128 Points" in its inspection as the main selling point. The research conveyed that this was meaningless to consumers. Instead, a real sense of value was built by more fundamental benefits that impart the fact that CPO vehicles are held to a higher standard than used cars:

- Selectivity: Only late-model, low mileage vehicles qualify.
- Standards: Manufacturer sets inspection/reconditioning standards.
- Accountability: Manufacturer stands behind CPO vehicles (offering manufacturer-backed warranties).

Prior to the third category research, Lexus' approach to CPO advertising was heavily focused on featuring imagery of individual car models, just like their new car ads. CPO research showed that these car-imagery (or "car-hero") shots cued disinterest. Ads with cars were seen as ads for cars. Team One had to hit the drawing board to rewrite the rules to be relevant in the CPO category. Figure 2.4 depicts the old and new rules that resulted. Media strategy would put the message in the right place. Now it was up to Team One creativity to communicate the right message. Their creative communications ultimately worked on two levels:

- Build awareness by boldly announcing CPO as a new third category of vehicle shopping using Internet banners, placing the third category squarely in the middle of the home page, and using national newspaper ads and radio spots to encourage people to rethink the way they shop for cars.
- Give reasons to believe in the value of Lexus CPO: Web site, interactive, and newspaper ads elevating CPO above used; deliver relevant

The old rule		The new way
A sales pitch	→	A shopping tool
CPO as a smart/safe choice	→	CPO as an extension of Lexus' commitment to the highest standards of excellence
A laundry list of CPO program benefits	→	Lexus stands behind the program
CPO as just a warranty	→	CPO more than just a warranty
Car as "hero"	→	Brand as "hero"

FIGURE 2.4 Old and new rules of engagement.

support based on Lexus' knowledge of how buyers use the Internet to seek information; and rich banner ads giving condensed, high-value information about the CPO concept and proposition.

On January 12, 2004, eight auto sites launched CPO channels on their home pages at the same time. Lexus-branded animated Internet ads claimed "Somewhere Between New and Used Is Certified Pre-Owned," literally pushing apart the new and used portals on auto site home pages, making room for CPO right in between. The *Wall Street Journal* and *USA Today* carried double-page spreads, and national radio ads supported this with the message, "Somewhere Between New and Used is Lexus Certified Pre-Owned."

Collateral, direct mail, and additional print and online ads all supported the bold news by giving reasons to believe in the value of Lexus CPO. Team One and Lexus had successfully parlayed research, insights, intelligence, and hard work to both define a new car-buying category and participate in its earliest potential payoffs.

STEP 5: RESULTS

In addition to the bonus the auto sites received (new information and revenue streams because of the shift in business model), Lexus dealers and salespeople started to see the CPO hurdle disappear. Significant increases in awareness, interest, and consideration were tracked. Lexus CPO sales climbed 30% over prior year totals, outpacing competitors by a wide margin. Finally, qualitative confirmation came from the industry itself. Leading syndicated research firms, such as J. D. Power and auto industry sites unanimously touted the positive shift in the industry as a result of the Lexus and Team One's work and partnership with the auto sites to revolutionize the category.

3

Smashing Category Traditions

BISSELL RETURNS TO ITS ROOTS

Marketing's evolution has been gradual, taking several decades to complete. Its growth has been made possible in part by changing commercial, economic, and social conditions, but also by some innovative pioneers. These giants established basic principles that have consistently withstood the test of time and remain as viable and useful guideposts to marketers in the present day.

Preoccupied as we are by current technological and scientific advances, we sometimes forget the equally dramatic advances made by creative thinkers and doers around the turn of the twentieth century. Consider that railroads, steam power, electricity, the internal combustion engine, the telephone and telegraph, and airplanes were all developed in a relatively short space of time early in the century. In fact, even our ubiquitous computer was envisioned and designed by Charles Babbage in the last years of the nineteenth century. Overall, the theme of this age could be characterized by the notion that all problems could be solved through the proper application of science.

For advertisers, the most important early scientific influence was psychology, where the writings of Freud and his contemporaries held great sway. As advertisers discovered how the subconscious mind works and how people respond to stimuli, they applied this learning to understand customers and to influence their behavior.

One of the most important synthesizers of psychological theory and advertising practice in this formative era was Walter Dill Scott. His book, *The Psychology of Advertising*, went through many editions over the course of 30 years, but always maintained a core theme: the importance of science for advertising. Scott's main achievement was to show the links among psychology, the internal workings of the mind, and perception. As he said, "Advertising is an appeal to the senses, a stimulation of the senses by the use of symbols."[1]

Claude Hopkins, author of *Scientific Advertising*, was another one of the early advertising pioneers. He strongly believed that advertising and sales were inextricably linked, and what advertisers do should be measured to justify the results of their efforts. Hopkins was a strong believer in "Reason

Why" advertising, which, according to him, meant that a good product was often its own best salesperson. As such, he was a great believer in distributing samples, and using coupons to trace his results. Coupons were his evaluation tool. With them, he could test one headline or advertising proposition against another. This one simple strategy allowed him to quickly understand and estimate the effect that this could have on the bottom line.

Hopkins' influence extended all the way to David Ogilvy himself, who is purported to have remarked that Hopkins' work "transformed his thinking and changed his life."[2]

Ironically, in terms of the focus of this book, Claude Hopkins' first professional job was with the Bissell Carpet Sweeper Company. Hopkins impressed his boss, M. R. Bissell, while working as a bookkeeper. Hopkins saw that sales of Bissell's flagship product, sweepers, were lagging. He felt that the problem resided in salesclerks who "knew none of our [woman's] problems. He [the salesman] never gave one moment to studying a woman's possible wish for a carpet sweeper."[3] Wanting to prove himself, Hopkins reworked a pamphlet for Bissell sweepers that took into account this insight.

At that moment, Hopkins uncovered a fundamental principle that would form the core of his philosophy and practice of advertising: customer insight can improve sales. Building on this seminal idea, Hopkins created advertising that offered service over product. His preference and standard practice was to convince people to become Bissell customers because of ad appeal (essentially tapping into emotion, desire, and aspirations).[4] But Hopkins didn't stop there. He contacted distributors and negotiated terms in exchange for dealer rewards or free merchandise. Hopkins would make future use of such distributor incentives as a part of extensive product promotion activities.

Claude Hopkins made his next breakthrough with Bissell when he began outfitting the sweepers with distinguished woods. Before that, no one had considered the fact that the type of wood, its finish, its color, and its design would make any difference to consumers, but Claude envisioned this as a promotional opportunity that also touched on women's emotional side. Thus, he identified 12 different types of woods and created an enticing line of Bissell Sweepers, followed by strong tactical distribution activities, including pamphlets and display racks, all bound tightly with his distinct Reason Why copy. In addition, he forged agreements with retailers to promote his product.

A key element of Hopkins' nascent work with Bissell was how he conceptualized the relationship between the buyer and the product. In essence, he viewed the Bissell Sweeper directly from the consumer's point of view. The insights garnered from understanding the woman consumer (her rational and emotional side), and building and relating all advertising to this insight (even to the point of initiating design and product changes) formed the foundation of an extremely successful career at Bissell that carried Hopkins forward to become a giant in the field of advertising. To this day, advertising, sales, marketing, and product development at Bissell are actively managed by one person charged to drive decisions and actions via the coordination, application, and input of market research.

BISSELL TODAY

Bissell's emergence as an Ogilvy Award Grand Prize Winner in 2004 is an intriguing story of a company that has come full circle to embrace the pioneering and innovative work of Hopkins. It is purely serendipitous that Hopkins influenced Ogilvy to such a great extent (as well as Anne Lamb, Bissell's director of communications since 1999), and that Bissell Homecare, Inc. would one day win an award based on Ogilvy's principles of successful advertising. At the same time, it also demonstrates the universal power of concerted focused efforts on understanding customers leading to the success of an organization.

Bissell has formed a culture that can easily be identified as sales-driven. Building on the legacy of such innovators as Hopkins, they were early adopters of infomercials. This venue fit both the category and the Reason Why advertising approach Hopkins inspired.

James A. Krzeminski, executive vice president of sales, marketing, and product development at Bissell, explains:

> As an organization, Bissell has enjoyed solid year-to-year growth for quite some time, but was always out of sight of the leader in the vacuum category, Hoover. Increasingly, management sensed that risks and innovation were needed to provide breakthrough to new levels of growth and share. At some point, we changed from a product company to a marketing company, and a decision was made to go after the vacuum category as a means to 'get big quick.'

Although early efforts failed, according to the Bissell team who worked on the Ogilvy case study submission, Bissell has consistently maintained a stick-to-it attitude, particularly to support well-reasoned and carefully thought-out decisions. Thus, when Bissell began to hire new marketing people in the late 1990s, the organization was well primed to take advantage of new perspectives from outside their category. Anne Lamb came from the agency side and a recent stint at Amway in international marketing promotions for home care and personal care products; Lynn Trudell, category manager, from retail apparel; and Tukee Nemcek, director of consumer insights, from packaged goods, most notably Kellogg's. This remarkable convergence of women, at a company whose target market is women, and at this particular point in time yielded some extraordinary synergies that eventually would culminate in winning the Ogilvy Research Grand Prize Award in 2004.

A NEW PERSPECTIVE IS INTRODUCED

Ann Lamb started at Bissell Homecare in 1999, and quickly evaluated the situation she faced as communications director. She found a highly featured focused approach to advertising that was missing what she sensed was a vital emotional component. As well, she observed that, due to the conservative and sales-driven nature of the category, nearly all the advertising in the category was the same, lacking any differentiation. The result was consumer ennui regarding attention or even awareness of the different home cleaning machines, brands, and products that were available.

Lamb felt that Bissell's female target audience, which was fundamental to the success of the company, represented an untapped pool of potential. Lamb noted that no serious brand positioning work had ever been done at Bissell, and that the need clearly pointed to establishing a new foundation built on, not just the product features of the Bissell products, but also the emotional drivers of women and how they felt about cleaning.

Lamb went to work to identify an agency to support her analysis and hypothesis. She discovered Campbell-Ewald (a member of Interpublic Group of Companies), who eventually became the advertising partner to lead Bissell forward to the Ogilvy Research Excellence Award honor. Lamb was impressed by Campbell-Ewald's Woman to Woman Communication's Group as a source of research insight, and saw they exhibited a deep understanding of the changing role, responsibilities, and feelings of today's woman. With this key partner in place, the work could begin.

ELEMENTS OF SUCCESS COME TOGETHER

Although difficult to establish in the linear framework of a story, many elements converged and contributed to Bissell's successful efforts documented in the Ogilvy Award case study submission. These include:

- A Bissell legacy, endorsed from the top, which reflects focus and commitment to the customer as a way to build sales and support product innovations
- An agency partner with a distinct process method to approach change based on the generous application of market research and customer insight
- A willingness to take risks, built into the Bissell culture
- An ability to tackle challenges and stick to well-reasoned and carefully thought-out business decisions
- A concerted team approach that embraced new perspectives and ideas, sustained listening and focus, took risks, and built the framework that allowed success to emerge.

Mark Bissell, current chairman and CEO of Bissell, has seen a gradual shift of the company from an advertising to a marketing mode: "A true marketing sense includes understanding what the brand means and how we communicate that to our target audience. Where can we add value? It is by fostering 'customer relevant' innovation. The customers are the whole story; we need to know what they really want and then be innovative in meeting their needs."[5]

A large portion of the success of the Bissell team can be traced to the fact that they were truly able to integrate sales and marketing. This enabled quick, but well-grounded and well-informed, decisions that made best use of the research contribution. This allowed the Bissell team to understand their customers, and to be in front of, focused on, and committed to them, thus providing a powerful impetus on the road to award-winning results.

CASE STUDY: BISSELL'S "LIFE TESTIMONIALS"

Overview

The floor-cleaning appliance category, which includes vacuum and carpet cleaners, is a mature category with well-established brands. In 2000, Anne Lamb retained a Michigan-based agency, Campbell-Ewald, to discuss a number of challenges that Bissell faced:

- How to create a stronger connection to women, the brand's primary customer base
- Establishing brand differentiation via new product innovations
- Positioning the brand to maintain its leadership over Hoover in the deep-cleaning products category, as well as challenge this leader in vacuum cleaner sales

Bissell had been a pioneer in the floor-cleaning product category, introducing a floor sweeper in 1876. Their pioneering spirit, strongly supported by the Bissell family and the work of such notables as Hopkins, continued as the company grew. In the 1950s, Bissell introduced a multipurpose formula and shampooer that reduced the time and drudgery of carpet cleaning. With this innovative new product, Bissell made deep carpet cleaning (once the exclusive domain of commercial providers) available to everyone. This willingness to establish significant goals and objectives and take the risks necessary to achieve them became a hallmark of the company's culture.

Despite Bissell's success in the carpet-cleaning arena, their impact in the vacuum cleaner category was negligible. Bissell's vacuum cleaner sales share was consistently 20 percentage points below the category leader. By the (fiscal) year 2000, vacuum cleaners occupied 60% of the sales of all floor cleaners. Management had a choice: continue to dominate a large part of a smaller pie or take the steps necessary to become a bigger player in the vacuum category. As Jim Krzeminski stated, "We decided that to 'get big quick,' we needed to go for the vacuum business."

So, Bissell and Campbell-Ewald launched a partnership to articulate objectives for the brand that would simultaneously support the company's leadership position in deep cleaning while providing a staging area to launch their vacuum cleaner growth strategy. An initial advertising campaign entitled "Life Testimonial" was launched in 2001 as a first step toward fulfilling that dual-step strategy. The purpose of the campaign was to re-energize both the brand's dated marketplace image and lay the foundation for the company's aggressive growth initiative. As we show, market research was instrumental in driving the brand's repositioning, strategic renewal, and creative execution.

Brand Fusion: A Process Approach to Change

Ogilvy Award winners consistently demonstrate that a process approach to change can be effectively used in the advertising and marketing arena. Such is the case with this example. The development of a new brand positioning and advertising campaign followed Campbell-Ewald's Fusion Process[SM] (see Figure 3.1). This process follows the general scientific method but is customized to meet the needs of the client and the situation. Included are a number of iterative steps that involve the applied use of the tools and techniques of market research.

The Fusion Process begins with a clear, formative first step: building shared understanding and knowledge about the strategy, dimensions,

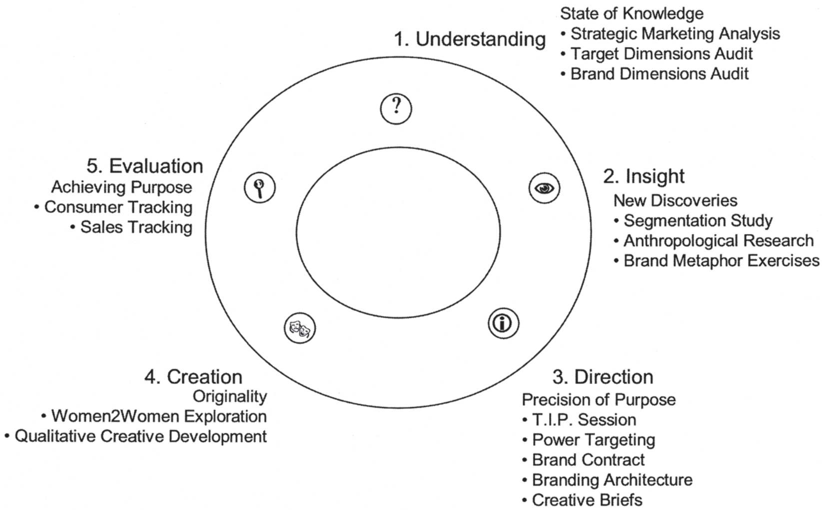

FIGURE 3.1 Campbell-Ewald's Fusion Process.

and brand. As in any scientific approach, it is vital to be thorough and grounded as to the purpose, objectives, and design of the improvement process that will be shaped ahead. From this beachhead of understanding, the following steps occur.

- Insights: Exploring, examining, and building new discoveries
- Direction: Melding, aggregating, and digesting the old and the new to arrive at a more precise purpose
- Creation: Exploring, discovering, and refining original ideas, messages, and communications
- Evaluation: Examining the result of the plan after it is deployed to guide future enhancements or improvements

A number of measures that document the impact of the creative change evidenced the success of the campaign, as presented in the case study submission. These were benchmarked against recent past measures, and included:

- Recall: Significant gains in TV advertising recall of ads.
- Imagery: Significant improvements in overall brand imagery, including the critical vacuum cleaner segment.
- Competitive share: Bissell's floor-care appliance performance outpaced the competitive set and the category leader.
- Vigorous growth: Bissell became the fastest-growing major upright vacuum brand in 2002-2003, achieving category share growth of 7.5%. Its share of the overall floor-care appliance category also increased.
- Impressive sales volume: Bissell's 2002–2003 share increase translated into a $95 million dollar gain in revenues YTD.

SHAPING THE STRATEGY

Prior to engaging Campbell-Ewald, Bissell had used a number of agencies, but was not satisfied with the inconsistent results. In contrast, the Campbell-Ewald group came equipped with an integrated approach that used four core pieces of market research to drive the Bissell brand and communications strategy:

- Market segmentation study
- Anthropological research
- Brand metaphor exercises
- Total immersion process (T.I.P.) sessions

Together, this research provided the insight necessary to redefine the Bissell brand target; understand their wants, needs, and aspirations in home cleaning; and successfully reposition the brand for future growth.

Market Segmentation Study

Although numerous approaches to segmentation abound,[6] the Bissell case study reveals that the technique chosen works best when it is aligned with the strategic goals of the project. In this case, the purpose was to redefine the Bissell target audience from a behavioral and demographic classification scheme to one that better reflected women's attitudes, values, and behavior regarding home cleaning. The nature of this focus on the intangible suggested a qualitative approach made sense.

This is a key thread that runs through most of the Ogilvy cases: a desire to understand why people do things; for example, what are the underlying feelings, emotions, perceptions, and values that drive people's behavior? Market research's contribution is evident when that purpose is top of mind.

Using a series of minigroup discussions with women, and a mail survey to 1400 women as a follow-up, this two-phase effort identified four segments of women who differed dramatically in their attitudes, value, and behavior toward home cleaning. Based on this, two segments emerged (representing about 54% of women aged 25–54), that were defined as Bissell's primary master brand targets. The segments were placed along a continuum of emotional involvement in cleaning and in importance of time-commitment, representing a new dimension for understanding the "why" for which Bissell was looking.

Anthropological Research

As the role of emotion and meaning in advertising has seen a renaissance,[7] the whole arena of anthropological research as applied to marketing has arisen as a natural approach to understanding people in (as closely as possible) real-world settings.[8] An anthropological approach is best suited to the study and understanding of deep cultural assumptions. The requirement is an immersion in the group under study, and in applying the tools of qualitative research[9] to unearth deep rich insights into what motivates people and drives their behavior.

Anthropologists (or ethnographers) embed themselves in a culture as participant observers. They are trained to observe a group's behaviors, attitudes, cultural rules (also known as mores), and deeper underlying assumptions about experience, reality, and life. This is done by watching, studying, and listening to the group; asking people questions to get at meaning (informally and spontaneous, as opposed to formal interviews); and identifying key dynamics of the group. Ethnographers mostly use qualitative data-gathering and analysis techniques, although it is possible to include counting and other frequency data observations.

One of the difficulties in long-term fieldwork is the danger that the researcher will become too close to the very people and situations under study, thus hindering an objective analysis. When applied to market research, this is less of a problem, given that the object of study is usually not a culture, but an activity, an event, or an experience of groups of people.

The Bissell team employed trained cultural anthropologists to do a series of 40 in-home interviews with women to explore their feelings about themselves, their upbringing, and their home- (and specifically floor-) cleaning practices. The purpose was to uncover an understanding of why, how, and when floor-cleaning activities are undertaken. Participants were screened to include the primary Bissell brand target group.

As would be expected from such a deep-dive analysis, a number of insights emerged along the spectrum of the seven marketing intelligences:

- Cleaning is no longer associated with the subservient downtrodden role formerly associated with the stereotypical suburban housewife (cultural, political).
- It has become socially acceptable for women to take both pride and pleasure in maintaining a clean and germ-free home environment (social).
- A clean home and healthy family continue to be indications of strong moral fiber and good enduring (American) values (social).
- The vast majority of consumers today are time starved and stressed out (behavior, psychological).
- Within the wide range of life's activities, cleaning is thought of by most as drudgery and given relatively low priority.
- That said, when put in the context of daily living, cleaning is seen as a small, but satisfying victory (psychological).
- This satisfaction was described experientially as
  - Creating order and keeping chaos at bay (feeling of accomplishment).
  - Being clean (cultural norm or value).
  - Taking charge and accomplishing something (emotional fulfillment).

In fact, the research suggested a distinct and strong emotional tie to the Bissell brand facilitated by historical cleaning equities built up over the years (symbolic associations).

An essential ingredient in Campbell-Ewald's Fusion Process is the identification of a target-relevant Quality of Life (QoL) insight. The QoL is an aspirational expression of how the brand can ultimately enhance the consumer's life. The market segmentation and anthropological research were critical in identifying a QoL for the Bissell brand linked to the emotional satisfaction women feel as the result of cleaning.

Brand Metaphor Exercise

To further reach into the area of powerful emotional and intangible drivers, Campbell-Ewald introduced a Brand Metaphor Exercise (BME). The purpose of this exercise was to assess intangible imagery associated with Bissell and its competitors. The value, again, of tapping into the emotional layer is a key factor contributing, ultimately, to a powerful realignment of creative messaging, imagery, and brand strategy.

The BME is composed of five projective research qualitative focus group sessions that employ visual and creative stimuli to understand how the consumer thinks, feels, and perceives of Bissell in relation to all other brands in the category. The clear take-away from this exercise was that a significant opportunity existed for Bissell to differentiate itself from competing brands through communications' tonality and imagery.

Historically, the home-cleaning category relied on product attributes and features alone to differentiate the legacy of traditional sales-oriented advertising that was duplicated by all brands. However, research pointed the way toward an opportunity to break away by utilizing a nontraditional creative approach.

Total Immersion Process (T.I.P.) Sessions

The final analytic exercise related to strategy shaping was designed to synthesize and analyze the research to date and help build a formal strategic direction for the brand. This was accomplished by an in-depth review of the Bissell brand's core attributes, future business plans and objectives (including consideration of competitive activity), and a brainstorming session among senior Bissell executives and the agency.

It was at this stage that Mark Bissell, the company's chairman and CEO, shared his personal belief that Bissell's current success, and, in fact, its future, would be dependent on the company's core research and development competency. Only through aggressive integrated R&D would the company regain a perceived leadership position in the area of innovation and in the minds of consumers. This deep-dive discussion revealed without a doubt the company's philosophical commitment to conduct research that is rooted in consumers' lives, not in the historic category game of one-upmanship, focused on product attributes and features instead of the true source of business success: satisfied and loyal customers.

So, the strategic analytic process had identified a QoL facet for the Bissell brand, and now added a second and complementary element called the Relevant Differentiated Benefit (RDB). The RDB, according to Campbell-Ewald, is the essence that creates for the brand a distinctive marketplace identity.

Armed with the QoL and the RDB, the Bissell team and their agency were prepared to identify the intersection—or Fusion Proposition, as

Campbell-Ewald calls it—where the greatest synergy lies between differentiation and benefits. This conceptual crossroad is the basis for the brand's Fusion Proposition, which serves as the strategic communications lighthouse against which all creative work must be illuminated. This approach, directly driven by research at every turn, equipped Campbell-Ewald to create communications for Bissell that were unconventional, intuitive, and entertaining, yet relevant to consumers, which was Bissell's ultimate focal point.

DEVELOPING, EVALUATING, AND STRENGTHENING ADVERTISING

The creative process in advertising generally does not follow linear rules, but is greatly strengthened by data-driven input and insights that contribute along the way. Just as an artist, such as a musician, draws on many dimensions of information (practical, theoretical, and experiential) in preparation for a performance, advertisers do the same. In Bissell's case, the two most influential research inputs used in the development of a specific campaign were those that grappled with the psychology of communicating with women, and the testing of creative ideas that reached beyond the traditional informational ads in the category.

Women2Women Communications Exploration

Ethnographic techniques again were applied to more deeply understand the psychology of communicating with women. The purpose of this exploration was to explore the changing role of women in the home, to tease out the differences in how men and women think and receive messages and images, and to gain grounded insights to feed (and inspire) the agency's creative process.

The method here was quite intense, with ethnographers spending an entire day with women in a variety of places, including a restaurant and a spa. This is a common technique ethnographers use to cross-validate observations from a variety of touch points and settings. As we all know, the context of the situation we are in often has a significant influence on us, although we may be hard-pressed to identify or explain it. For that, the cultural anthropologist is trained. To supplement that work, agency teams did an extensive secondary research of syndicated reports, articles, books, and other elements of culture mentioned by the women in discussion, as well as on the topic of men–women differences in communication style.

The results were both predictable and insightful:

Women have multiple lives: They seek communications that nurture their holistic, creative, and spiritual side. They always feel as if they are in a time crunch, so even highly desirable, nurturing things have to be convenient. Finally, women do not appreciate things that force-fit them into a one-dimensional existence; communications need to reflect their multiplicity and diversity of intellect and interests.

Women think using both sides of their brains: They want information that is factual, yet human. And, they are usually not impulsive or quick to make major purchase decisions.

Women process advertising differently than men: They like imaginative communications that are humorous without being alienating. They tend to like the use of metaphors, analogies, and comparisons. In short, they do not always want the picture to be completely painted; rather they want credit for getting the deeper meaning of messages.

Women want self-defined balance: They appreciate and want things that help solve problems, avoid stress, and save time: no lengthy to-do lists, please. They find over-promising and insincerity a huge turn-off and waste of time: credibility counts. Women tend to see themselves as unique individuals with unique needs.

This top-notch detail and information on women's psyches became the painter's palette of colors with which to develop creative ideas and concepts. The team clearly saw that they had to acknowledge the target Bissell customer for her multiple roles and contributions to the home. At the same time, they had to provide rational information in a human way to facilitate her decision and consideration process. Communications did not have to be direct, but could trace the edges of empowerment, rather than stating obvious benefits. Women can draw out the meaning of the message from a variety of creative pieces, ones that celebrate her individuality while providing her ways to achieve her personal sense of balance at home. Finally, a light-hearted approach and tone would entertain and hold her attention.

Qualitative Creative Development Research

Through a round of strategy development research followed by five subsequent rounds of execution development against this strategy, Bissell learned about the power of irony and the unexpected in communicating with women. Further, it helped them:

- Express empathy for women's multidimensional roles
- Dismantle the negative stereotype of women and domesticity traditionally reinforced by advertising
- Communicate product innovations in a way that was clearly applicable to real life and women's quest for order in the home
- Generate entertaining and attention-grabbing creative advertising ideas

With this strategic knowledge foundation, qualitative creative development research was accomplished by studying three different creative strategies. The purpose of the exercise was to determine which concepts held the greatest potential for further development, as well as identify areas that may need strengthening. Most important, how and why the concept connected with women was deeply explored and discussed.

The general method consisted of 12 individual interviews among primary brand target women. After initial warm-up conversations, a series of executions representing alternative creative strategies were exposed and discussed. Out of this, a clear favorite emerged. Tinged with a bit of irony, this concept described a man talking about his role as the domestic leader of the household while he cleans up numerous messes made by his children with his Bissell QuickSteamer, his new "best friend."

Reactions to the use of irony hit home on many levels. It was entertaining for women to see a man doing housework while characterizing the experience in stereotypical language. For some women, it was a wishful fantasy. For others, it was not quite far off the mark of their reality at home today. By featuring a man, the ad concept shattered the existing stereotype that exists in most category advertising of its kind. In fact, a recent competitor depicted a woman vacuuming under a man's extended feet while he reclines on the sofa and watches TV!

Most important, Bissell understood that women were perceptive and intrigued by irony. The tone of the ad concept greatly appealed to the interviewees, but also supported their perception that Bissell really understands them. In addition, packed into the emotional layer of this concept, the ad description clearly communicated the appropriate benefits of the Bissell QuickSteamer.

Only one concern arose from the discussion. Some women were concerned that the man would be too rugged and masculine to fit the role properly, thus making it unbelievable and irrelevant. If that were the case, and the stereotypical language was inserted as well, the final ad could come off looking derogatory or spiteful to women. This key insight drove concept enhancements that clearly delineated the man's character, his demeanor, and his actions. As well, his stereotypical comments were altered to telegraph that he was definitely saying what a woman might say in the same circumstances.

The underlying concept of irony was repeated and used in a number of subsequent executions, including:

- A biker in a motorcycle clubhouse proudly demonstrating Bissell's most powerful deep cleaner
- A college student portraying the handy lightweight Bissell GoVac as a college roommate and best friend
- An entrant in the "underground vacuum racing circuit" showcasing the speed and convenience of her Bissell Cleanview Bagless Vacuum

GUIDING MEDIA EXPOSURE

Given that Bissell's segmentation was such an integral factor in primary brand target identification, there was a logical interest in using this insight to help guide media planning strategy. However, media are bought and sold on fairly strict and limited demographic characteristics, and the segmentation was based on attitudes. This gulf between market research and media planning is a consistent problem in advertising, bought about by years of tradition. Although Campbell-Ewald was not the media planning agency for Bissell, they were consulted to provide a recommendation. Their response was in the form of a proprietary tool called Power Targeting.

For Bissell, Power Targeting was used as a flexible methodology for establishing a complex system of proxy measures to match to the datasets of syndicated media research studies to accurately identify segments of consumers who are differentiated by category-centric components. Once this process is completed and segments are identified, traditional media consumption data runs can be conducted to identify media vehicles that deliver disproportionate consumption by the primary brand target. With this foundation, media-planning strategy recommendations are developed. This workaround, although not perfect, was cost effective in relation to Bissell running a customized study to produce a similar result.

DEMONSTRATION OF SUCCESS

The final piece of the advertising process is to evaluate what happened. In this case, Bissell used two standard data sources to monitor the effectiveness of their new "Life Testimonials" advertising campaign:

- Ongoing, point in time consumer brand and advertising tracking studies
- Bissell sales volume and market share tracking by brand and products

Brand and Advertising Tracking

The purpose of standard brand tracking is to assess the effectiveness of advertising on nonsales proxy measures, such as brand imagery. This is accomplished for Bissell with a quarterly brand tracking study, using telephone survey techniques.

To measure any change over time, a benchmark measure is needed. For Bissell, this became the tracking results on recall and imagery of ads just preceding the airing of the new campaign. The results were as shown in Figure 3.2.

Ad Execution	Launch Date	Ad Recall (%)	Performance Indexed to BISSELL Benchmark
Dad (Quick Steamer)	March '01	43	390
Biker (ProHeat Pro Tech)	Jan '02	30	273
Vacuum Racer (Bagless)	April '02	44	400
Peppy Puppy (Little Green)	Jan '03	46	419

FIGURE 3.2 Brand tracking results.

Bissell Sales Volume and Market Share Tracking

Using NPD household consumer panel data and retailer POS data, Bissell saw a significant competitive share gain in the floor-care appliance category. Bissell realized a 2.1 share point gain, the largest in the category. This success enabled them to gain ground on a top competitor, Hoover, who lost six-tenths (.6) of a share point over the same time period.

Bissell noted a sustained dominant share position in the deep-cleaner product segment, maintaining a 20-share point advantage over its closest competitor. In addition, they noted vigorous growth in their upright vacuum cleaner business, which doubled from 6.2% in 2002 to 13.7% in 2003. This represented a volume index that placed Bissell as the fastest-growing major upright vacuum cleaner brand during that time period.

Although it is dangerous to take credit for top-line sales with advertising, in dollar terms, Bissell saw an increase in upright vacuum sales go from $60 million to $155 million, the largest dollar volume growth in the category.

OBSERVATIONS

The Bissell case clearly demonstrates that the generous application of thoughtful and relevant research with a purpose can achieve outstanding results. Bissell built a deep understanding of their target consumer using a variety of research techniques that enhanced and supported the total advertising creative and development process.

But it is also clear that Bissell ran into a problem that continues to challenge most organizations today. Due to tradition, habit, and inertia, silos of data and information exist that are neither easy to work with nor compatible. Specifically, the translation of marketing research results, which we saw were very powerful, into guiding measures for media planning could have tripped up the well-executed Brand Fusion process. Workarounds abound, however, the real issue is: why have we not, as an industry, developed equivalent measures of research that align directly with media measures? The fact remains that many advertising agencies and their clients are still working within the framework of media reach and frequency metrics (usually) against a limited set of demographic markers. They can only be guaranteed as an opportunity to see the media. But what about "consumption"? What do advertisers get for their marketing dollars? This is an area that is murky and ill defined, particularly as marketers continue to add new channels of communication that are unmeasured in terms of syndicated, agreed-upon metrics.

Although market mix models, and some newer experimental design approaches are beginning to address this problem, those in the applied field are still looking for answers. This acute challenge is being addressed by the ARF's Engagement Initiative, in tandem with the Association of National Advertisers and the American Association of Advertising Agencies, and is addressed more thoroughly in Chapter 8.

The other component of the process, evaluation, also suffers from the same fate. Two evaluative data sets (brand tracking and sales) that cannot be combined for analysis are symptoms of the data silo disease. The one, brand tracking, does not have a sales figure in it, but is a brand equity proxy for consumption, or how the campaign affected the brand, which is artificially linked to some dollar output. The other, of course, does not relate at all to the brand metrics, nor does it include any of the emotional, attitudinal, or intangible attributes that may have influenced a purchase, and must be analyzed separately with some stiff assumptions made.

4

Scaling the Ladder of Insight

INTRODUCTION

This case chapter focuses on an extraordinary success story: how do you change the perception of an entire traditional and established industry? Particularly one that has faced hard times, intense competition from abroad, and accumulated entrenched negative perceptions in terms of the environment? This was the challenge the steel industry faced and that WirthlinWorldwide embarked on to help change the perception of the industry through disciplined, data-driven strategic communications guidance.

WirthlinWorldwide had an interesting history. Dick Wirthlin, founder of the company, was Ronald Reagan's chief political strategist for 20 years. A number of the opinion, persuasion, and communication research methods he used working for Reagan translated very well to private industry. According to Dick's book about his time with former President Reagan, entitled: *The Greatest Communicator: What Ronald Reagan Taught Me About Politics, Leadership, and Life*,[1] it is evident he learned a lot about the art of communication from that experience. For example, the essence of the powerful VISTA approach can be summed up in the following, deceptively simple, statement, "Persuade by reason; motivate through emotion." This is a model of communications effectiveness, and Dick was practicing it, looking underneath the rational level at important emotional drivers of thought, values, behaviors, and actions, long before it became fashionable in market research circles. The results speak for themselves, as we show.

In 2004, WirthlinWorldwide became part of Harris Interactive, Inc. The same methods of values-based research and the same approach to strategic communications development illustrated in the following case study are still applied as part of the Harris Interactive portfolio of client solutions.

It must be mentioned that WirthlinWorldwide and Harris Interactive together have the distinct honor of achieving Ogilvy winning status as the lead market research firm seven times: The American Plastics Council: Gold Medallion Winner (1997); SteelAlliance: Grand Winner (1999); Lincoln Financial Group: Honorable Mention (2001); Robert Wood Johnson Foundation: Grand Winner (2003); Volvo: Finalist in the Considered Purchases Category (2004); UBS: Winner of the Services Category (2005); and American Forest & Paper Association: Finalist in the Business to Business Category (2006).

CASE STUDY: "THE NEW STEEL: FEEL THE STRENGTH"—THESTEELALLIANCE AND WIRTHLINWORLDWIDE

Overview

The steel industry once enjoyed the most prominent position in the industrial world. In 1917, for example, U.S. Steel was number one on the list of America's top 100 largest corporations. Eight other steel manufacturers were also on the list. In today's dollars, the firm's assets totaled $31 billion, roughly three times the worth of its nearest competitor, and employed 268,000 workers. Together with 33 mining companies, steel accounted for fully 45% of the top 100's assets. Steel symbolized the very essence of American strength and endurance, employing millions in labor, production, and shipping.

However, times changed. The information age emerged. Environmentalism became a new force in global politics and activities. Like a sitting duck, the steel industry was targeted as the primary cause of the pollution blackening American cities. After once employing millions, the U.S. steel industry realized it had to become more nimble if it wanted to survive. Continuing to supply one of the world's most valuable materials to a variety of important industries, steel modernized its factories and products, learned to recycle, and even began running small minimills run on electricity. But, this did very little to put the polish back on steel in the eyes of the American consumer. The industry had never done any advertising to consumers, and felt comfortable with that decision. Consequently, the next generation of Americans grew up with vague stereotyped images of fiery open hearth mills, grimy faces, and the memory of an energy-guzzling and polluting past it wanted to forget.

Decades later, industry leaders, although not faced with any particular public relations crisis, started to sense that they were losing ground. North American interests were holding on to their share, but were falling behind in a growing raw materials market serving the appliance, automotive, housing construction, and food packaging industries. Sporadic research in the early 1990s showed that steel's image was tarnished, and was in need of an overarching communications program. However, the inertia of tradition, and a lack of coordination and cooperation between diverse organizations and interests, stymied any efforts.

Concern finally reached the boiling point. WirthlinWorldwide was contacted in 1996, initially to discover what image steel had in the minds of key audiences. Wirthlin conducted preliminary assessments of previous steel industry research, followed by a qualitative VISTA study to validate and extend those findings. Benchmark studies to explore current public perceptions of steel also began in 1996, and included surveys of Canadian and special audience groups (government, investors, media, and steel customers), as well as the U.S. public. Initial consulting and research for the American Iron and Steel Industry (AISI) helped the organization solidify its case for a comprehensive communications strategy that eventually won unprecedented industry support.

The steel industry set out as its mission to make steel the material of choice for the packaging, automotive, housing construction, and appliance industries. A crucial element of the AISI proposal was that it identified the consumer as the single largest influence on all audiences critical to that mission. This was based largely on the fact that the percentage of steel used for consumer product applications had grown from 20% to over 50% from 1944 to 1994. In addition, Mark Stephenson, who eventually became the executive director of TheSteelAlliance, echoed the crystallizing sentiment of the industry when he said, "We noticed that Ford Motor Company was running a TV and print advertising campaign about the car of the future, which consisted of plastic and aluminum. There was nary a mention of steel. This was the wake-up call."

In point of fact, the Ford campaign became a major and direct catalyst for the new steel campaign. By taking its story directly to the consumer, AISI hoped for a rebirth in demand for steel in the marketplace. As well, they began to see the wisdom of using values-based research for the new campaign, aimed at identifying motivations and beliefs underlying consumer opinion.

The steel industry responded by creating TheSteelAlliance in May 1997. This new coalition, made up of more than 70 North American steel producers, suppliers, and affiliated groups, pooled resources to address their primary challenge, and engaged WirthlinWorldwide and GSD&M, an Austin, Texas-based advertising agency highly invested in the values approach to market research, to refine and implement a five-year, $100 million communications campaign.

Although the price tag may seem excessive, it really was less than half the yearly ad budgets of other raw materials competitors. Yet, despite budget constraints, TheSteelAlliance's communication strategy was crafted and implemented with admirable results, employing a unique mix of qualitative and quantitative research methodologies. Two years into the program (at the time the case study was presented), the campaign had been successful in meeting or exceeding all its goals, building a solid foundation of increased awareness and favorability toward steel.

"FEEL THE STRENGTH"

Campaign Objectives

When TheSteelAlliance engaged WirthlinWorldwide and GSD&M to research and implement its communication strategy, its mandate was to develop a complete marketing communications program targeted to the public and delivered in the context of TheSteelAlliance's overall strategic plan. As the primary objective, TheSteelAlliance wanted to position steel as the material of choice where raw materials are concerned. To accomplish this objective, the organization articulated four key goals:

- Offset competitive pressure.
- Establish steel as the material of choice for the twenty-first century.
- Expand market segments or open up new ones (specifically housing construction).
- Reinvigorate and generate pride among employees.

As the communications strategy was refined, the Alliance wisely added specific quantifiable goals to better gauge its success over the life of the five-year program. Based on a benchmark survey of consumer attitudes conducted early in the program, four main goals and performance measures were defined:

- Awareness: Increase consumer's general awareness of steel, its uses, and its advantages.
- Favorability: Increase overall positive perceptions of steel and steel products.
- Attitude: Increase positive perceptions of steel in comparison to the competition, particularly regarding the environment.
- Behavior: Translate changes in attitude to increased purchase of steel products, tracking key markets such as automotive and housing.

It is worth pointing out the best practice at work here. Research and analysis are applied at a strategic and executive planning level. This is not the typical situation, for a number of reasons. Mostly it has to do with the fact that senior-level executives do not have either a market research background or expertise. The status of market research, in general, is low in the corporate hierarchy: it tends to be more reactive than proactive. Finally, strategic work that involves outsiders (consultants or advisors) usually is done by management consultants who carry quite superficial research techniques with them. But as shown in TheSteelAlliance case, research is critical for initial strategic thinking and planning, as well as for setting key performance indicators.

Wirthlin had built a strong reputation on delivering data-driven strategic positioning for a number of clients, based on the following principles.

- Be internally relevant, consistent with the organization's heritage, prior strategy, and products.
- Present a clear vision.
- Tap the aspirations of the company and its people.
- Link to the values of key audiences.
- Be enduring.
- Reflect integrity.

- Demonstrate strength.
- Differentiate.
- Build on positive impressions.

The result of this proven, principled, and disciplined approach is evident throughout the development, evolution, deployment, and evaluation of the new steel campaign case study, and serves as a shining beacon of the power market research holds to drive successful business decisions and actions.

PHASE A: SHAPING STRATEGY

The diagnosis of current public perceptions about steel required a deep understanding of not simply what people think, but also the motivations, consequences, and values that drive their perceptions and behavior. This multidimensional view of public opinion was necessary to define a communications strategy that would reach both the minds and hearts of consumers.

To gain this deep level of customer understanding, Wirthlin used a combination of qualitative and quantitative research techniques:

- The qualitative research had as its cornerstone Wirthlin's proprietary Values in Strategy Assessment (VISTA) research, a values-based methodology built on in-depth personal interviews. This study informed and supported TheSteelAlliance's strategic blueprint for going forward.
- A quantitative benchmark survey study followed up the values research to gauge how the VISTA findings would best be employed in a mass communications program.
- Wirthlin's own PulseLine advertising pretest assessment was used to identify the effectiveness of proposed communications executions.
- Periodic survey tracking studies were employed to ensure that communications strategy continued to be on-target and met stated goals over time.

Before we go into depth on the variety of research techniques that were used, it is informative to highlight the strategic analytic process that this winning case exhibits.

First, it is obvious that the efficacy displayed in this case study has more to do with the synergistic effect of multiple research methods and techniques rather than their individual application. The process starts with a deep-dive look at the consumer on a qualitative projective level. Considering the importance of this first step, one wonders why it is often skipped, or why it is relegated to a junior research assistant to find some syndicated data or told to go “set up a focus group.” Although syndicated data can provide some inputs, a strategic analytic approach suggests that research mesh closely with strategic communication goals, or in some cases even define them, and that it begin with a thoughtful approach containing substance and value. This is, perhaps, the most important research that can be done.

VALUES-BASED STRATEGIC RESEARCH—A LOOK AT VISTA

Values in Strategy Assessment

Research, as developed by Dick Wirthlin in conjunction with Dr. Thomas J. Reynolds, is designed to identify the perceptual linkages between a product (in this case, steel) and its attributes, benefits, and the personal values a consumer associates with that product. The method that TheSteelAlliance incorporated included the following.

- In-depth structured interviews with 1000 adult Americans between 25–54 years of age, with incomes of at least $30,000. The sample was divided among three quota groups: government leaders, agenda makers, and steel customers, and was stratified to ensure sufficient representation of environmental as well as pro- or anti-steel advocates.
- Laddering techniques[2] through which the interviewer uncovers the respondent’s cognitive and emotive associations with a product, service, or material. To illustrate, an interviewer might start with a consumer describing basic attributes of steel, such as its strength, recyclability, or versatility. Discussion would move to the functional benefits associated with these attributes, then to the emotional consequences of those benefits, and finally to the personal values consumers associate with these product consequences. In this way, a full network (or map) of cognitive and emotional relationships is uncovered and studied.
- Linkage analysis to understand the dominant paths and strengths of relationships among attributes, consequences, and values.
- Construction of one or more hierarchical decision maps to illustrate the network of linkages, relationships, and dominant pathways on which a communications strategy is then based.

Step 1. Integrating VISTA into Strategy Development

The initial VISTA study completed in June 1996 played a key role in exploring how consumers think about steel on multiple levels, and then identified the conceptual pathways that would provide the most persuasive messages to influence public attitudes about steel. The process

Positive Cognitive Pathways

Attributes of Steel	Drive to ∀	Consequences	Drive to ∀	Personal Values
• *Durability* • *Strength*		• *Less repair* • *Provides protection* • *Structural support & reinforcement*		• *Living less stressfully (contentment)* • *Gaining more personal security (peace of mind)*

Negative Cognitive Pathways

Attributes of Steel	Drive to ∀	Consequences	Drive to ∀	Personal Values
• *Contributes Industrial pollution* • *Less recyclable*		• *Detrimental to environment* • *Destroys nature & resources*		• *Lower self-esteem (higher dissatisfaction)* • *Being irresponsible & wasteful (discontentment)* • *Spoiling your children's future (reduced peace of mind)*

FIGURE 4.1 VISTA map.

is visualized in the graphic shown in Figure 4.1. As these paths were mapped, the study provided an empirical blueprint of the key communication leverage points that would enable TheSteelAlliance to develop resonant messages. The key findings of the study are as follows.

- Steel’s dominant positive pathway in consumer minds involved peace of mind and personal security benefits.
- On the other hand, powerful negative pathways existed that were related to pollution and recycling concerns. This pathway led to mental road maps of guilt, being considered irresponsible and wasteful, and spoiling the future for one’s children.
- Finally, when presented with new updated information as to the recycling and energy benefits of steel, consumers were often surprised and likely to change their negative perceptions of steel.

This last fact held a golden key to the new communications strategy and the promise of its success. It revealed that because the industry had done virtually no consumer advertising for decades, TheSteelAlliance was beginning with an outdated, but essentially positive image, rather than trying to overcome a current negative one. Consumers actually liked steel, but simply needed to be reminded of those latent sympathies, and provided with updated information that countered negative perceptual pathways with the material, in order to be responsive to changing their attitudes about it. Thus, the campaign was conceived of as an enlightenment or educational campaign. In addition, the new initiative, thoroughly grounded in strategic analytic research had quantifiable elements in place to provide a barometer of success.

VISTA's Contribution to the Communications Campaign. VISTA research indicated that the public placed high value on the many benefits of steel, but in many cases did not link these benefits with steel. In fact, they linked steel's competitors with these benefits. Exploration of the underlying value structure for the materials and packaging category revealed that recyclability and strength were the two most important attributes from which positive consumer perceptions were formed. However, as perceived, steel did not touch any relevant values for this category. Although still thought of as a strong durable material, steel was overwhelmingly associated with industrial pollution.

Consumer perception of steel's strength followed a path to feelings of safety and peace of mind, which are positive, but not as important to consumer opinion in the materials category as feelings of responsibility for the welfare of future generations. In fact, consumer perceptions of the industrial pollution created by steel, which are seen to affect both personal health and the environment, tend to erode any sense of security or peace of mind associated with its strength. Moreover, because steel was seen as a traditional material/industry, very few people linked it with innovative products or the future in any sense.

VISTA research demonstrated that perceptions of steel were tied to overt observable phenomena such as strength, smokestack pollution, and rust, and to outdated media images of the steel industry. Although steel is the most recycled material in the category, this attribute was not linked to steel because the steel recycling process is performed in ways that are "invisible" to the consumer.

This in-depth research indicated that steel needed a comprehensive communication campaign that targeted the positive perceptions of the strength and durability of the material, and one that informed the public about its powerful recycling record and innovative uses. Old stereotypical images of steel needed to be replaced.

VISTA insights about consumer perceptions of steel translated into leverage points for TheSteelAlliance's communications strategy. With them, the strategy team constructed positioning statements about steel that would serve as message elements in advertising and as tools for gauging public attitudes over time. For example, in the paid media, a compelling message would focus on the strength, recyclability, and new applications of steel that accent its durability, safety, and reusability. This enhances resonant rational arguments for supporting steel along with positive emotional connotations in consumers' minds. In public relations and event opportunities, highlighting the real changes in steel manufacturing and applications that contribute to environmental solutions and the welfare of future generations packs a solid rational–emotional punch.

Step 2. Quantifying Consumer Attitudes: The Benchmark Study

The next step aimed to quantify the qualitative findings of the VISTA study and identify the best possible messages for steel's various stakeholders and the general public. It was designed to assess the relative strength of various communications elements and the conceptual pathways associated with steel by generating projectable data to substantiate or refute VISTA findings. Other important objectives included:

- Evaluating the potency of a number of positioning messages
- Providing a baseline for monitoring TheSteelAlliance's progress over time in affecting public attitudes among the general public and among target constituencies

The benchmark study consisted of telephone interviews with approximately 1000 Americans, 150 members of Congress (using WirthlinWorldwide's *Congressional Omnibus Study*, an ongoing survey of congressional attitudes and opinions), and 100 selected influentials and decision makers. The 20-minute survey tested the credibility and impact of TheSteelAlliance's new message of durability, recyclability, and innovation, in particular, how these concepts resonated with consumers' personal values. It also gauged current attitudes toward steel's environmental performance, a very important hurdle that had to be overcome.

Major Findings and Impact of the Benchmark Study

The results of the benchmark study helped Wirthlin distill a structure for guiding the overall communications campaign (see Figure 4.2). It suggested that during the first two years of the campaign, efforts should be focused on increasing awareness and positive feelings about the "new" steel. Confidence and engagement gained from this initial phase would contribute to success in the second, so-called "payoff" phase, which would emphasize the role of specific steel products in the life of the consumer, delivering positive change in attitudes and behavior.

The strategic guidelines driven and supported by the research (key words from the VISTA study are italicized) were:

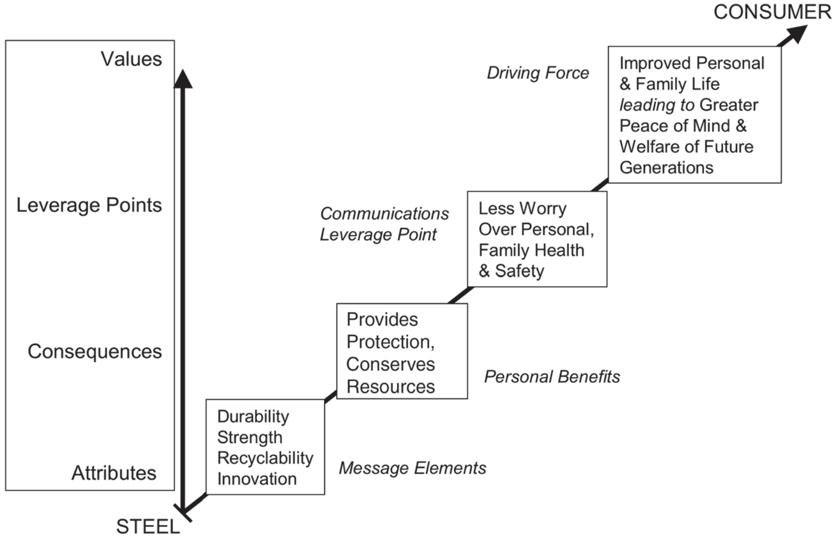

FIGURE 4.2 Wirthlin ad strategy.

- *Concern for Future Generations* is the dominant underlying value of the campaign. Steel must effectively deliver on this promise and link it to the key value, as perceived internally and emotionally, derived from steel: *peace of mind*.
- Steel can communicate most credibly, efficiently, and effectively by pointing directly to its tangible benefits: *strength and durability*. The positive benefits of these attributes are that steel provides *protection* and *structural reinforcement*, making life *safer*. Messages must link these benefits to driving emotions and values that include *personal security* and *peace of mind*.
- Environmental concerns are important and cannot be ignored, as they are embedded in people's minds from prior experience and perception. Efforts must be made to correct or neutralize current misconceptions of *industrial pollution* associated with steel.
- Plastic and aluminum cannot be allowed to dominate the positive equity inherent in the term *recyclable,* a clear, but unknown benefit of steel which taps directly into the dominant value of the category: *concern for Future Generations.*
- Work must be done to change the dated perceptions and images of dirty steel mills and heavy products that rust easily. They should be replaced with the reality of clean mills and strong, yet lightweight, products no longer affected by rust.
- Define a set of expectations and buying behaviors for steel's "literates."

Additionally, the strategy team used constituency analysis to assess which potential messages would resonate most with consumers who identified themselves as "pro-steel," "anti-steel," or "neutral—could be influenced" in their general orientation toward steel and steel products. This information would guide TheSteelAlliance's choices for media messages, as they could target segments with ideas that would be most persuasive to the individual groups.

PHASE B: DEVELOPING EXECUTIONS

VISTA decision maps had identified the conceptual pathways for reaching consumers, and the benchmark study had tested proposed positioning messages for potency, credibility, and resonance. This detailed strategy development research provided the groundwork for the creative development of media executions.

The goal now was to develop creative executions for television and print advertisements that tapped into the higher-order values discovered through the research. The obvious choice for ad executions would employ the dominant conceptual pathways that clearly linked steel to the individual in positive and personally relevant ways, as shown in the following.

From this blueprint, TheSteelAlliance staff worked together with Wirthlin and the ad agency to translate this conceptual road map into effective advertising. In developing concepts for the ads, the creative team identified images that highlighted steel's positive benefits and capitalized on their cognitive link to values. The key words (culled from the VISTA study and followup benchmark survey) noted above primed the creative pump and produced the tagline for the campaign: "The New Steel. Feel the Strength."

Examples of creative executions included these 15-second spots:

- An elderly woman is seen walking her recycling bin to the curbside, while a voiceover poses this riddle: "It's the one material that helps preserve the earth by being recycled more than anything else in the world." As she turns to go back to her door, a large junk car crashes to the street, obliterating the recycling bin. The lady plods on, unfazed. "But, it doesn't always fit in those little recycling bins," quips the voiceover.
- "Shark," which cleverly combined the messages of both strength and recyclability: A menacing shark swims through clear blue water. We see the face of a terrified scuba diver, separated from the shark by only a metal cage. The words flash on the screen, "Right now this guy is thinking: a. Steel is the most recycled material on Earth." Cut back to the shark, teeth bared. Again to the words, "b. PLEASE, PLEASE let this thing be made of steel!"

This multidimensional, values-based approach was used in developing all the ad executions for TheSteelAlliance's print and television campaigns.

PHASE C: PRETESTING CREATIVE EXECUTIONS

Once TV commercial concepts were developed, WirthlinWorldwide applied another methodology, called PulseLine, to assess the effectiveness of executions against the value-based elements of TheSteelAlliance's overall communication strategy.

PulseLine is a computer-based research system used to measure people's emotional and rational reactions to communications messages. Whereas VISTA provided a strategic template for the creative team, PulseLine was used to assess how well specific commercials and print ads fared against this strategic template. In January of 1997, Wirthlin conducted PulseLine assessments with five groups (three with general consumers, two with opinion leaders). The one-hour audience response sessions were followed by one-hour focus group discussions to provide additional qualitative data. The PulseLine method includes:

- A computer-driven session in which a group of respondents view animated or storyboard executions of ad concepts and register continuous responses via an electronic "ballot box," or use the box to answer questions posed by a trained PulseLine moderator that focus on the levels of meaning inherent in the communications message.
- Analysis of the responses typically explores the effect of the advertising, its credibility, persuasive power, and feelings toward specific features of the execution and its message.
- The resulting aggregated data provides a quantitative assessment of the strength across and between each level of the communications and execution.

In essence, PulseLine measures what works and what doesn't in television and print ad attempts to communicate the linkage, here between attributes of steel, through to benefits and strategic leverage points leading to personal values, for example, the ability of steel's image to connote contentment (live less stressfully), peace of mind (personal security for oneself and one's family), and personal satisfaction (caring for future generations). Armed with this knowledge in the prefinal stages of execution development, GSD&M, the ad agency, used the research feedback and insights to strengthen portions of the advertisements to ensure that finished executions mapped to the key hot buttons and linkages squarely and on target.

PHASE D: GUIDING EXPOSURE

To provide insight regarding optimal advertising focus and exposure levels, WirthlinWorldwide used tracking studies to monitor how public opinion responded to the message, levels of media exposure, and media placement. Results of the PulseLine quantitative studies also continued to supply valuable information for repositioning and refinement as the campaign moved ahead into its second year.

1997 saw a significant improvement in positive feeling toward steel. In fact, the more people knew about steel, the more they liked it. Research also showed that the challenge for year two (1998) was to broaden general awareness of the campaign, maintain positive favorability ratings, and work toward the ultimate goal of influencing change in stakeholders' attitudes and behaviors.

Tracking results guided TheSteelAlliance to not only increase the frequency level of advertising for the second year, but also refocus its main target audience in order to obtain maximum reach from every advertising dollar. Research showed, for instance, that women aged 25–54 gave the lowest group scores, but not based on negative feelings, rather a lack of awareness of the campaign. In response, the target definition for television ads was refocused on the female of the households and advertising spots were scheduled more frequently in women's markets. In addition, the spots chosen were those that had been shown to resonate with this segment based on the PulseLine study.

This refocusing exercise, and the demonstration of an invaluable use of the research, was only possible because of the systematic application of research at appropriate points in the total advertising process. It is a lesson about planning and the strategic positioning of research that becomes a linchpin of insight and guidance throughout the advertising and communications campaign.

Regarding message, nearly every respondent tracked liked the new steel theme. Many felt, however, that the ads did not adequately answer the question, "What is new about steel?" To balance this effectively, earned media and public relations efforts addressed two important issues:

- New and innovative uses and formulations of steel
- The clean and efficient methods now used to produce steel

If we look at what research tells us about the psychological process of advertising[3] (see Figure 4.3), we can see that the steel campaign (guided by Wirthlin's research) had been successful at engaging the emotional dimensions of the new steel story. Now, consumers were clearly engaged in learning more about "what was new about steel." This demonstrates one of the basic principles Dick Wirthlin had long espoused, "Persuade by reason; motivate through emotion," and the research, via tracking, was clearly showing that consumers were ready to be "persuaded by reason."

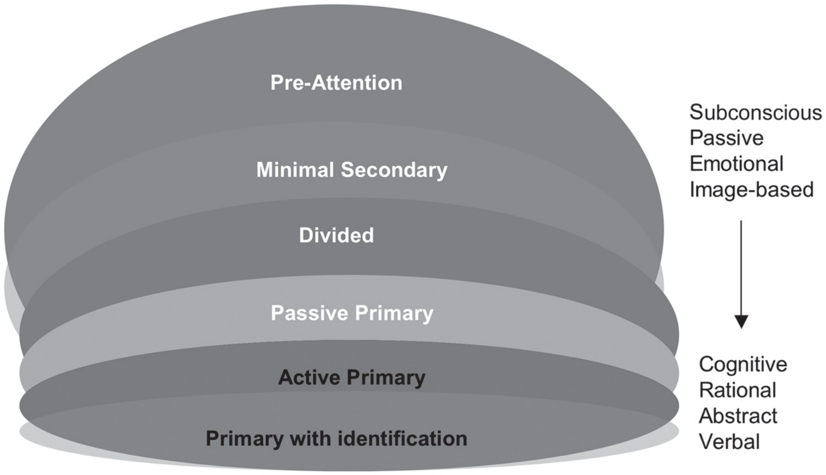

FIGURE 4.3 The psychological process of advertising.

Having captured the emotional source points of consumers, the campaign now narrowed its message to emphasize steel as a material, in essence to educate and inform. Although the industry story would remain an important one in the public relations arena, every dollar of the paid advertising was used to increase the frequency and reach of the advertising message about the "new" steel. These changes were reflected in key tracking areas in the second six months of the campaign.

Guiding Exposure: Critical Tracking Questions

WirthlinWorldwide developed a customized tracking study based on four key elements:

- Consumer awareness of the steel industry
- Overall favorability of the steel material and products made of steel
- Trends in opinion about whether steel, in regard to the environment, is part of the problem, or part of the solution
- Awareness levels in two crucial markets: housing/construction and automotive

Why these key elements? They were singled out for consideration in media investment decisions because they provided, in effect, a summary of the campaign's success in achieving awareness, favorability, and changes in consumer attitudes and behavior, all original goals of TheSteelAlliance communications campaign. The lesson learned, and reinforced, here is that effective tracking is really only possible when the analysis focuses on the key strategic and end objectives of the campaign. Although syndicated or cookie-cutter tracking studies can, and do, add a level of insight, it is through integrated and holistic application of research at key points in the communications process that the greatest value of research as an objective marketing guidance tool is achieved.

KEY FINDING AND IMPACTS VIA TRACKING

As the strategy team noted when they first assembled the trend data, media exposure levels and their attitudinal impacts told an interesting story. The first six months of the campaign brought significant impacts on public opinion, as TheSteelAlliance initiated national media buys at an aggressive weight for general public coverage. These included:

- Of those aware of the advertising, there was a consistent and noticeable decline in negative mentions, from 37% in May to 14% in November.
- Favorability toward steel as a material (in comparison to plastic, aluminum, and wood) went from last to a tie for second place. Three percent of people who were neutral/negative/soft on steel in May moved to pro-steel in November.
- The percentage of Americans who felt that steel was part of the environmental solution rose by two points in six months.

Further tracking (into the second six months of Year 1) showed continued increase in positive attitudes. For example, by the end of the year (1997), the percentage of people aware of “New Steel” and its products went from 10% to 26%. Changes in attitudes and behaviors were strongest among the general public, which was right on target regarding overall strategy. These, and other, findings helped TheSteelAlliance make wise decisions about media investments, and to maintain gradual consistent improvements in public opinion using high levels of media exposure for general consumers, coupled with more moderate levels for opinion leaders and customer-specific groups.

PHASE E: DEMONSTRATING SUCCESS

At the outset, TheSteelAlliance had articulated a broad goal of increasing awareness of steel and offsetting competitive pressure in the raw materials arena. As the campaign progressed, the Alliance defined several goals to track specific progress toward its larger mandate. In this last phase of the case study, we see how WirthlinWorldwide helped demonstrate success in achieving the advertiser's communication objectives.

Monitoring Success

To monitor how well the media campaign was meeting its goals, periodic tracking studies used nationally representative samples of 1000 American adults aged 18 and older at six-month intervals. The latest tracking data submitted at the time of the case study (1998), included steel consumers, as well as legislators (both U.S. and Canadian), media, investors, and steel customers.

The tracking study design, using telephone interviews, was consistent in large part with the questionnaire format of the 1996 benchmark survey. No survey design is flawless or foolproof, no matter how many times it is piloted or tested. Thus, key learnings over time resulted in additional performance measures included over 1997 and 1998. The tracking study, as detailed above, continued to inform progress among specific opinion groups and offered guidance in adjusting messages and executions in response to these changes. The tracking results for the four key campaign goals are presented in Figure 4.4.

Taken together, these highlights from the tracking studies paint a picture regarding how the campaign had succeeded in meeting or exceeding goals. Cultivating its image and product benefits, TheSteelAlliance had narrowed unfavorable gaps that had separated steel from competitive industries just a few short years earlier. In addition, it had differentiated its product in positive and personally relevant terms. From once facing the possibility of being passed over in a broad range of raw material choices, steel (as of 1998) now held a much warmer position in the hearts of environmentally conscious consumers concerned with both personal satisfaction and the legacy they will leave for future generations.

Success Goal	Tracking Question	Net Opinion Shift (1997-1998)
Increase Awareness	Seen or heard message recently about steel? Positive/Negative mentions…	+13 points -31 (negative) - +36 positive
Increase Favorability	Impression scale	+13 (mean ratings)
Change Favorable Attitudes	Is steel part of the environmental solution?	+16 points
Change Propensity to Select Steel	Would use steel in home framing… Prefer automobile made of steel…	+5 points +6 points

FIGURE 4.4 Four goals tracking from 1997–1998.

Success with Target Constituencies

The tracking studies also included the followon to earlier constituency analysis performed by WirthlinWorldwide. The tracker followed and assessed the progress in changing attitudes among key steel influence and opinion groups: pro-steel; anti-steel; and swing consumers.

Ad executions had employed messages that promised in earlier tests to be most persuasive for the target groups. The strategy committee was pleased, particularly in looking at the changes in the swing consumers and anti-steel segments, that fine tuning of the original target audience (enhanced focus on reaching women) and media selection had begun to build a solid foundation on which the second wave of the campaign would ride.

In real numbers, 1.3 million households, in one year, had moved to a positive awareness of steel and steel products, and over 2.3 million households moved away from a negative perception of steel.

The strategy of a pull campaign appealing directly to consumers worked. As consumer impressions of steel improved, they began to demand steel in the products they bought, and manufacturers acquiesced to that demand. In 1997, at the start of the campaign, manufacturer advertising citing the benefits of steel in their products accounted for only $1 million annually. By 2000, that figure reached $128 million. This ad equivalency greatly leveraged TheSteelAlliance's own ad spending.

In 2003, Atlantic Research analyzed 135 different national advertising campaigns, to learn about current practices in measuring and reporting marketing ROI. They identified the New Steel campaign as an example of best practices and used this case to illustrate eight vital steps for successful ROI management and measurement. Figure 4.5 shows how advertising raised awareness, favorability, and positive mentions of the steel industry, and how these measures of success persisted even after ad spending declined.

CONCLUSION

At the time of the case study (1997–1998), positive awareness of steel had improved dramatically, due in large part to the innovative and systematic research techniques employed to guide TheSteelAlliance's communications campaign. Fine-tuning the strategy by defining, diagnosing, and successfully tracking steel's communicated strengths led to undeniable success within the consumer marketplace. The overall strategy required the cooperation and implementation of all parties: TheSteelAlliance, GSD&M, and WirthlinWorldwide.

Values-based executions and ad assessment techniques helped ensure the impact of commercials and their exposure. In addition, tracking studies reflected the change in attitudes and behaviors that resulted.

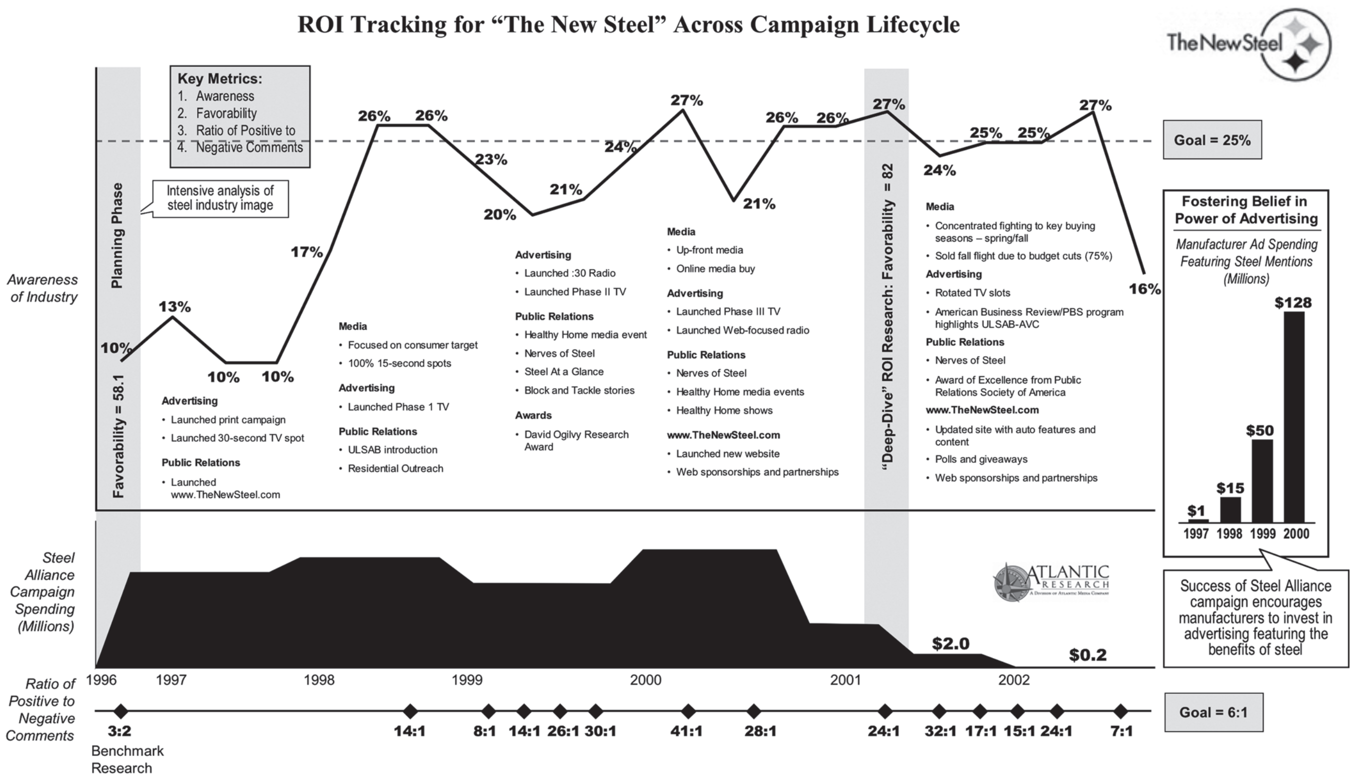

FIGURE 4.5 Successful ROI managment.

The campaign itself had another valuable byproduct outcome. As a result of the deep focus on understanding the impact of the industry on people, a values-based communications strategy, and a retooled approach to maximizing the message, TheSteelAlliance's efforts served to unify steel manufacturers behind a common goal. Rather than focus solely on competitive lines or individual market share, the member organizations in the Alliance have been able to maintain a collective investment in the progress that steel and steel products were making, and all enjoyed the value of this progress.

Using a smart disciplined application of research at critical points in their communications campaign process, TheSteelAlliance enhanced its position and exceeded all of its initial goals. The lesson remains: research can drive and support successful marketing and advertising efforts when it is embedded into a disciplined strategic, tactical, and evaluative process of developing, creating, and deploying a communications campaign.

5

Implementing the "Big Idea" for Everyday Consumer Products

INTRODUCTION

The Consumer Package Goods (CPG) industry, as it is known in North America, in many ways exemplifies the most extensive use of research we see in the Ogilvy Award case studies. There are a number of reasons for this. These companies, generally, are quite large, and have access to an enormous amount of data, particularly transactional data from scanners in supermarkets and other retail locations. Massive services companies, such as ACNielsen, IPSOS-ASI, Millward Brown, and Information Resources Inc. (IRI) have built substantial businesses offering frequency- or rating-based syndicated analytic and testing products to feed the CPG giants' unending competitive hunger.

Consumer Package Goods companies also have a legacy of scientific and consumer testing, which dates back to their early establishment and strong need to continually develop and test new products for dynamic consumer markets. There is no analog to the test kitchens of CPG firms in any other industry. As a result, organizations, such as Procter & Gamble and Kraft, have built a culture of research that extends all the way from testing product concepts through to marketing, promotion, advertising, and selling in stores.

What is remarkable in this trio of case studies is how the "big idea" in advertising was developed and deployed in such mundane categories as steak sauce, dental health, and batteries. The breadth of research exhibited is impressive. As we show in this chapter, the techniques and methods used range from pure, qualitative ethnographic research (as developed by anthropologists to study unfamiliar cultures) through to sophisticated statistical procedures, called market mix models, that have been borrowed from economists.

This chapter looks at three recent Ogilvy Award winners who have demonstrated the use of a broad range of research techniques and methods to achieve some outstanding successes. They are:

- Kraft: A.1. Steak Sauce "It's That Important" revitalization campaign
- P&G: Crest Whitestrips New Product Launch (Sidebar)
- Gillette's (now part of P&G) repositioning of Duracell (Sidebar)

CASE STUDY: KRAFT: A.1. STEAK SAUCE "IT'S THAT IMPORTANT"

Overview

A.1. Steak Sauce is the category leader in the U.S. with just over 50% of the share of meat sauce products. The category in total, however, had been declining over the period 1999–2001 by nearly 4%. A.1. Steak Sauce sales were part of this decline, about 2% during this same time period.

After Kraft acquired Nabisco in 2000, which included the A.1. business, the A.1. team was faced with a seemingly daunting challenge: how to revitalize a venerable brand in light of declining category sales and overall consumption of beef. Every aspect of the business was re-evaluated, including the successful "Steak House Waiters" campaign developed by Foote Cone & Belding in 2000 for Nabisco.

Indeed, "Steak House Waiters" was a successful campaign, driving strong incremental sales volume in 2000, as measured by market mix models. However, the team wondered if there was even bigger potential lurking on the horizon that would help drive sales and connect even more powerfully with A.1. consumers. The question arose: Who were the A.1. consumers? The A.1. team was aware of a heavy users' group who made up the bulk of the franchise's volume, but was less confident about other potential segments, perhaps a new group of lighter users, that might have more sales growth potential.

The team turned to research to focus on developing a deeper understanding of A.1. segments, and in the process uncovered a new consumer group they named "non-insistent steak-lovin' enhancers." By integrating back these insights about a high potential new A.1. subsegment to the traditional heavy user segment, the team uncovered new attributes that were highly relevant to the meat sauce category and to stimulating A.1. brand ideation. This led to a new, more motivating communication strategy, breakthrough creative, and ultimately increased sales.

Arriving at the key consumer insights involved a deep-dive look inside the A.1. light-user segment to find three differentiated groups. Within these three subgroups the A.1. team set out to find which held the most growth potential and why. Answering the important "why" question became the key to success, and, as we detail below, involved the extensive use of qualitative and quantitative research. The process the team followed echoes the theme of this book, which is that the generous use of research, for example, to study consumers from many angles and perspectives, is a powerful tool for achieving success.

Indeed, the A.1. team uncovered a number of essential learnings that would ultimately drive a successful new campaign. These included:

- Why "non-insistent" users did not always use A.1., and in contrast, why the heavy loyal users of the product always did
- The experiential insight that steak sauce is used to complete the perfect steak
- That A.1. is the brand that perfectly melds a flavor combination that makes one's steak complete

Armed with these basic insights, the challenge was then to find an engaging and persuasive way to communicate these connections in a holistic way to valued consumers.

A Campaign Is Born

A.1.'s 2002 campaign "Yeah, It's That Important" was born from the extensive research insights that triggered the creative spark. This campaign included three television ads for A.1. Steak Sauce, and six print ads for the steak sauce product and A.1. Marinades. The ads superbly capture the importance of making the steak-eating experience complete: if you want a great steak, then make sure it's served with A.1… . "Yeah, it's that important!"

Pretesting of this campaign suggested strong potential. ASI Copy Effect Index scores rose above typical averages, and the ad's likeability scored high. Likeability, as a component of ad effectiveness, had been researched widely by the ARF in the past and identified as a key component of potential ad success. The subtle testing procedure also captured some evidence of a potential problem with an edgier ad concept, which alerted the agency to consider a balance of tongue-in-cheek humor versus questionable manners while eating.

The detailed research information (which we show just ahead), particularly on the now-differentiated light-users' subgroups, assisted media planners to find more cost-efficient, focused print and TV buys. This resulted in an all-cable TV plan launched during the summer steak-grilling season, coupled with a focused selection of print magazines that corresponded well with the broader set of key consumers.

Results

Based on successfully integrating research, copy development, and media planning, A.1.'s new "It's That Important" campaign was responsible for increasing base sales revenue by 5% versus year average growth. This translated to $11 million in revenue growth in 2002, 55% greater than the previous "Waiters" campaign. This resulted in a 3 to 1 revenue payback on the campaign investment.

Average weekly revenue was tracked up over 25% after the ads began airing in April 2002. Market share increased a remarkable 4 points in the same time period. Meat Sauce category sales rose over 2%, reversing two years of category declines. Most important, and satisfying to the A.1. team, the sharper focus on the lighter-users' group sustained an increase in loyalty of 4 points, ad awareness of 21 points, and unaided awareness of 9%, as measured by ongoing brand tracking. In addition, the strength of association measure they use supported an increase of 10 points in terms of the new positioning. These short of sales success measures, although not specifically a measure of sales growth, indicate that the new campaign achieved a closer emotional and psychological connection between the product and the consumer than ever before.

THE RESEARCH PATH: SHAPING STRATEGY

The A.1. team began by studying existing data from ACNielsen's HomeScan and NPD's NET Eating Trend data. These important syndicated sources track such things as purchasing data as well as food preparation trends by regularly surveying members of large consumer household panels.

A deep dive into the Nielsen data uncovered a significant light-users' segment that offered potential for growth. These were consumers who identified themselves as A.1. users, but were inconsistent in their regular usage of the product, and exhibited a tendency not to request it at restaurants or other eating events. Further analysis of the NPD data showed a clear indication of steak sauce usage among people who are not heavy meat eaters, but could be influenced to reach for A.1. The challenge for the A.1. team now became clear: how to ritualize the usage of the A.1. product across both heavy- and light-user segments, thus ensuring a potential path to more sales and ultimately increased market share.

Ethnography

The use of techniques and methods from the field of anthropology is gradually appearing in the applied marketing field. Ethnography supports a naturalistic exploration of consumers in real settings to derive insights not generally available from other sources. The A.1. team worked with The Fortini-Campbell Company (Lisa Fortini-Campbell, CEO, is an ethnographic specialist and professor of marketing at Northwestern University) to conduct ten three-hour in-depth ethnographic explorations to mine for deep consumer insights. Unlike traditional phone or mail interviews, or in-person one-on-one discussions in a neutral setting, this research was completed in the homes of households identified as heavy grillers who frequently use steak sauces and seasonings, and purchase and use A.1. Steak Sauce. Each interview began with a general discussion focused on dinner and transitioned to observing the meal preparation activities. After dinner, the discussion turned to the primary A.1. users in the household for a more in-depth exploration of attitudes, feelings, and perceptions on the topic.

Ethnographic results are based on detailed analysis of large arrays of text and observational data. The technical terminology is that the ethnographic researcher uses a combination of formative and summative evaluation techniques to make sense of a large set of experiential data at the individual consumer level. This includes stimulating, informing, and clarifying hypotheses, as well as reaching a logical conclusion based on both rational and emotional synthesis of the experience, in this case preparing, grilling, and the social experience of meat eating.

The key learnings for the A.1. team were instrumental in clarifying that not all light users are created alike. Light users differed more on the contexts in which they choose to use steak sauce than in their motivations for doing so. Two subgroups emerged from the exploration: one, termed variety-seeking enhancers, adds flavor to meat but also enjoys experimenting with a wide array of products from dry seasonings, to marinades, to sauces. Although interesting, there was a concern about maintaining a consistent sense of loyalty among this group. The other, called non-insistent traditional enhancers, also add flavor to meat to make it a more enjoyable eating experience, but shy away from experimentation, opting for a small repertoire of options that become regular and consistent habits for them. This subgroup was flagged by the research as holding higher potential for sales, as well as receptivity to advertising, than the first one.

Mood and Affinity Groups

Using the subgroup research clarified in the ethnographic study, the A.1. team turned next to better understanding the emotional and rational drivers of light and heavy A.1. users' motivations and behavior. For this section of the research, Foote Cone & Belding used an ethnographic discovery approach named "Mind & Mood." This is a discovery approach, similar to what anthropologists might deploy to study and understand new cultures or civilizations, which was adapted to the more modest demands of marketing. In this project, four two-hour Mind & Mood sessions were prearranged to coincide with evening backyard steak barbeques of small groups of six to eight friends. Both light and heavy A.1. users were included in the study. As the experience of home-grilling steaks, eating salads and baked potatoes, and drinking wine unfolded, people discussed a wide variety of topics, from activities that enrich their lives, to defining what an ultimate experience means to them, and eventually to the role of food, A.1., and other meat enhancements in producing a satisfying experience.

These discussions led to the understanding that when it comes to steak, rather than meat in general, the "non-insistent traditional enhancers" (on the surface) were very similar to the "variety-seeking enhancers" discovered in the prior research. But given the rich qualitative data collected by the researcher, a more complete picture of the non-insistent group emerged. A portrait of them would include such descriptors as: feet solidly on the ground; when it works, stick with it; and, family rituals, specifically around meals, being respected and sustained. For these people and their families, steak is a very special meal. It's also an expensive meal, not run-of-the-mill, and prepared with tradition in mind. These dinners are loaded with sensory experience and high anticipation: everyone looking for an "ultimate" steak experience.

In the Mind & Mood research, the A.1. team confirmed that their brand is a strong, iconic American brand, with very few barriers to use. Its distinctive personality, taste, and physical imagery are highly recognizable and regarded by steak eaters. As most good research usually raises new, and better, questions, this brought up an interesting proposition: if light users clearly recognize the superiority of the product, respect the brand, and like the flavor, why don't they use it as often as heavy users do?

To answer this question, some astute observational analysis uncovered the fact that heavy users tend to pour A.1. right onto their plate as the steak is ready and headed to or set on the table. Light users, on the other hand, undergo a conscious evaluation before reaching for the bottle. They will often test the steak first and decide if it even needs enhancement. If they are satisfied that the steak stands alone, they will consciously choose not to use A.1. (or any steak-enhancing sauce or product).

This discovery opened the eyes of the A.1. team to a number of tactics they could consider to influence the steak-eating experience at that decisive moment. They decided that a simple goal would be to reignite desire and passion (to, in a sense, override the cognitive step in the process) for A.1. and re-establish its usage more in common with the heavy-user segment.

Focus Groups

It is interesting to note that many organizations, if they use any research at the strategy stage, would begin with focus groups as a first step. Ogilvy winners, however, tend to follow a different, and sometimes more rigorous, path. This is done not so much out of a desire to do a lot of research for research's sake, but instead to thoroughly understand the people who use their products, and why they do so.

As consumers evolve in an increasingly dynamic environment, it will become more of an imperative to get beyond simple, informal segmentation schemes and use the power of research to uncover more deeply differentiated and clear target groups if any success is to be attained. Marketers sometimes lose sight of the fact that naming a customer segment does not mean it is a reality. All market segmentations are artificial classification groups employed to deal more efficiently (and, it is hoped, effectively) with the consumers who make up our customer and usage universe. Thus, a constant goal should be to improve our understanding and intelligence about who these people are, what they do, and why.

Armed with a sizeable amount of research insight, the A.1. team now turned to the more traditional form of learning—the focus group—to determine what message(s) could influence noninsistent A.1. users to be more like their heavy-user friends and families.

Four focus groups consisting of A.1. heavy users (equal numbers of men and women) were convened to uncover the rational and emotional reasons behind their usage patterns. Going beyond a standard discussion guide, the A.1. team employed projective techniques such as guided visualization, picture sorts, and musical profiling to develop a holistic portrait of the mood and personality of A.1. that made it so appealing to the heavy-user segment.

Projective techniques are used to get at consumers' desires, wishes, and motivations in an indirect manner. Rather than asking a question directly, as in a survey or interview, people are given short tasks that require conscious reflection. These tasks have been designed, and validated by their creators, to highlight or bring into focus attributes, variables, or conditions that people may not be able to state directly, inasmuch as they are often influenced by the interviewers' personalities, unconscious desires, or unspoken attitudes. This research involved tasks such as ranking pictures showing people's excitement and anticipation from strongest to weakest; listening to a set of songs (purposely chosen to reflect a range of emotions) and choosing the most fitting to represent A.1.; and an exercise where people are asked to think through a series of eating experiences (visualize in their minds), guided by the focus group leader, and describe their feelings, or what they might do at each point.

This research confirmed that steak lovers approached the steak experience with much anticipation. Eating steak was a visceral and sensory experience involving multiple senses. These consumers confirmed what the A.1. team already knew: A.1. Steak Sauce had a distinctive image and brand superiority in their minds. What was new, the key nugget of insight that had remained elusive, was a subtle clue that the heavy users articulated. It centered on the fact (described in a number of ways) that A.1. Steak Sauce melded with the steak to produce a "flavor combination" that they found completely satisfying.

Digging beneath the surface of this finding, the A.1. Team discovered that the traditional classic reliability of the brand was punctuated by a spicy, lively, energetic taste (when combined with the meat) that became an integral part of its identity. Although this may seem like a simple idea, it was only through the use of projective techniques that encouraged the focus group participants to think more divergently that this insight emerged. For example, when asked to pick two different styles of music to represent A.1., jazz emerged as an example that underscored the energetic liveliness of the A.1. brand. This was repeated with shoes, people, and events to converge on a very clear portrait of the dual personality of the brand that made it an absolute essential to heavy users.

Thus, the A.1. team demonstrated a basic principle of unearthing consumer insights: if you want to understand why a customer buys your brand, don't ask them directly! A direct question will most likely get a direct answer: one that is cognitive, conscious, and filtered to "be correct." Instead, unobtrusive, holistic, and oblique forms of inquiry can assist in building converging validity around the important concept of interest, particularly when it is unconscious or difficult to articulate in words. In this case, the path of strategic research led to three key insights that drove the rest of the campaign, its development, and its execution:

- Consumer Insight: Decisions are made cautiously, but when made, are kept.
- Category Motivation: Steak sauce is used to complete the perfect steak.
- Brand Point of Difference: A.1. creates a perfectly melded flavor combination that makes your steak complete.

The advertising communications strategy was then built on these pillars:

- Business Goal: Persuade lighter users who love steak and use A.1. to use it on every steak, every time.
- Consumer Goal: To recreate real desire and passion for A.1. and to ritualize its usage, overall.
- Core Strategic Message: A.1. delivers the ultimate steak experience every time, because it creates a perfectly melded flavor combination that you can't do without.

DEVELOPING EXECUTIONS

Armed with a well-grounded strategy, the A.1. team turned back to research to guide the development of campaign concepts and ideas. Each campaign concept had several elements, spanning across six rough TV and seven rough print executions. Different taglines were evaluated as well. Research was conducted across male and female heavy and light users of A.1.

Three executions, Lion, Dive, and Stomp were particularly well received. In Lion (which appeared as a TV ad where a zookeeper's meals were rejected by a steak-loving lion until A.1. was included), consumers clearly got the message and enjoyed the unique visual and fresh approach. Although the lion was not even seen in the ad, the character (as king of the jungle), combined with humorous credibility in terms of his decision to hold out for A.1. Steak Sauce, was judged extremely likeable.

In Dive (where a man, dining in a restaurant, finds himself in the unexpected situation of saving a bottle of A.1. from falling to the floor, rather than an expensive bottle of wine) consumers perceived a good fit between the brand's essence and restaurant heritage. Some consumers, however, felt that the spot was too predictable and did not do a good enough job of communicating the great taste of A.1.

Stomp, the last in the trio of well-received executions, was felt to clearly communicate the message that steak isn't worth eating without that last drop of A.1. from the bottle. But some caution was noted in comments by consumers that they felt the ad to be out of place and a bit confusing.

A fourth execution, called Slurp (which eventually did run as a TV ad), was clearly a polarizing spot, but had some intuitive appeal to the team that went beyond the plain black and white results of the copy tests. Although some found the ad's content to be offensive and in poor taste (e.g., a dog's slurping sounds cutting to a man licking A.1. off his plate), it did communicate a very strong taste communication. As such, it was felt that if the team could preserve the surprise and humor elements, while playing down the offensive pieces, that this could be an effective ad. In fact, by incorporating the Slurp ad under the tagline of "Yeah, It's That Important" (as opposed to "Steak Lovers Get It," as originally intended), the communications focused attention on the sauce itself, and thus was relevant to both heavy and light users. By wrapping this message in a humorous and surprising message, the ad spot was eventually incorporated into the winning campaign.

PRETESTING COPY

TV Ad Testing

Revisions to TV and print executions were submitted to further quantitative evaluation to assess their potential to attract attention, create brand linkage, deliver key sales messages, and motivate purchase. This is standard short of sales testing, however, the executions were based on two rounds of qualitative insight and intelligence generation. Now these ads were subjected to comparison with standard norms (as collected by IPSOS-ASI and Nielsen) to test their potential efficacy at creating recall, awareness, likeability, and persuasion in the marketplace.

ASI's *Next*TV* copy is a testing approach in which respondents are recruited via mail and given a packet of information that includes a taped video program. The program contains embedded TV ads, which consumers watch in their homes. Key measurement areas include: recall, attention, brand linkage, communications, likeability, persuasion, self-reported impact on brand attributes and perceptions, and commercial attribute ratings. An overall Copy Effect Index is computed as a proxy measure of potential sales effectiveness by combining recall and persuasion into one score. Executions were tested individually, in a 30-second animatic format. Animatics are low-cost picture or cartoon versions of the intended final ad used for assessment purposes only. In this case, as for most large domestic or global brands, the test was conducted on a nationally representative sample of 275 men and women aged 18–75.

Results of the *Next*TV* test indicated Dive and Slurp were the strongest executions (highest Copy Effect Index score), with Lion a solid third. All generated substantial "related recall" for the A.1. brand, with Lion and Dive best communicating the importance of A.1. for having a great steak experience. Slurp also generated high recall, but less focused on communication and average on persuasion. It still appeared to be a somewhat polarizing ad due to its potentially offensive elements. But its overall Copy Effect index was above the norm, thus leading the A.1. team to have confidence in its potential. Interestingly, the Stomp execution bit the dust at the ad-testing stage, probably because of its underlying linkage to the prior "steak loving" campaign as a main image, as opposed to the relevance and importance of A.1. sauce as the key element.

Just prior to the ads airing in April 2002, we tested two variations of the finished Lion spot to determine which was more compelling. Although fully finished TV ads are rarely pretested, given the costs associated with production, Ogilvy winners sometimes will further evaluate two or three different variations on a TV ad that can be shot cost effectively within production timelines and cost frames. In this case, Nielsen Media Research's Reel Research was employed.

Reel Research uses an online testing system to evaluate ad execution alternatives. Generally, test and control groups are exposed to ads in a finished 30-second format. Using online surveys, MPEGs can be embedded in the survey instrument to allow instantaneous viewing followed by standard assessment questions focused on the traditional areas of evaluation (as employed in the ASI copy test previously described).

Surprisingly, the A.1. team found that the research results for both variations were nearly identical. An additional insight bonus was the confirmation of the ASI animatic tests, now with a finished TV ad. Although tests that are more sensitive could probably be devised, the team felt comfortable that either (or both) version of the TV spot would work.

Print Copy Testing

The A.1. Team used Millward Brown's DR Print Copy Test system to evaluate two variations of the "Yeah, It's That Important" campaign. Within that, two executions were tested: one for sauce and one for marinades. DR's print copy method is to use mall intercept interviewing to rate a portfolio of 20 advertisements, with the A.1. advertising randomly embedded within the portfolio. The usual short of sales and purchase intent questions are deployed. Each ad was tested in forty markets across the United States among 150 men and women ages 21–64 who had recently purchased and used steak sauce or marinades. The results, as with the TV ads, were used to support decisions of which ads to retain.

GUIDING MEDIA EXPOSURE

The extensive use of research and measurement continued to guide the choice of appropriate media vehicles to reach A.1.'s noninsistent steak-lovin' enhancers. Kraft's Idea Marketing process, as described up to this point, had been instrumental in clearly defining the key consumer group identified for growth. Now the challenge was to reignite passion for A.1. and find an optimal media mix to touch these consumers. For TV, syndicated MRI data provided direction on which day parts and programming they preferred. In addition, lifestyle and hobby passions were considered to provide the A.1. Media Team with a greater sense of these consumers' interests.

Given the extensive detail gathered to date, the A.1. media target was defined as adults 25–54 who chose A.1. as their primary brand of steak sauce and agreed with the statement: "When I find a brand I like, I stick with it."

Although A.1. traditionally had used TV as their only advertising medium, MRI analysis indicated that A.1.'s key consumer group was not a heavy viewer of TV, overall. On closer inspection, network TV was not an efficient medium for this group, however, there were many cable networks that provided substantial coverage for this segment. Based on this intelligence, the media team created a 100% cable TV buy on highly targeted networks, balanced to represent male and female interests, hobbies, and lifestyles.

MRI analysis also indicated that there were specific print titles that would effectively and efficiently reach key A.1. consumers. Based, again, on the detailed knowledge garnered from the qualitative research completed at the strategic portion of the Idea Marketing process, the media team chose relevant editorial magazines that the target segment tended to read, as well as created value-added opportunities at events that MRI research indicated would be highly relevant to them, such as food festivals or NASCAR events.

Market Mix Analysis

The use of sophisticated econometric approaches to assess the relationship between advertising and sales emerged with great promise in the

1950s. A full account of the impact, strengths, weaknesses, and limitations of this technique are presented in Chapter 8 of this book. In brief, Kraft has embraced the use of modeling as a key component of its market research arsenal. The marketing science division at Kraft works as an internal team, using a variety of outside vendors, to support many brands via modeling and analysis.

In this A.1. campaign, the team used MMA, a market mix modeling firm, to analyze ActMedia/Catalina (scanner purchase data) combined with volumetric, media (spend), and marketing cost data to identify the extent to which marketing elements (channels, in this case TV or print) affect consumer's purchase of products in the short term. The models are built using multiple regression analysis that relates changes in A.1.'s marketing mix elements to weekly changes in product sales over a three-year period. This affords an estimate of the efficacy of, in this case, TV or print in driving incremental purchase attributable to advertising.

The leap from short of sales measures and intent to purchase a product to the actual purchase of a product is often surprising, unexpected, or unintuitive to the marketer. That is because many factors affect the consumer's actual purchase behavior from the time advertising is launched to the purchase itself. In addition, as brand strategists are quick to relate, there is a certain base loyalty or equity effect to our brand behavior as it relates to purchase. Although not perfect, market mix models can help marketers gain some insight about the efficacy of their advertising on the incremental sales they generate.

In the A.1. case, modeling results indicated that TV should be sustained, as it was the most efficient marketing element employed, accounting for the largest proportion of incremental sales volume. In fact, based on these results and the excellent performance of the creative executions, the decision was made to move more money from trade and consumer promotions into TV advertising. Additional efficiencies were prompted via the continued use of cable TV and 15-second versions of the ads.

AdWorks

Part of the advertising principles that guide Kraft Foods are based on findings and data from AdWorks 2, a cross-industry meta-analysis of the ways that advertising affects sales. AdWorks 2 utilized regression analysis based on market mix variables to isolate the impact of advertising and media plan strategies on sales. It includes results from 1500 brands and 200 categories across fifty markets and three types of retail outlets. Using this information and data, Kraft compiled a proprietary set of powerful advertising principles, somewhat like a bible of marketing, to guide their brand and marketing teams.

In the A.1. case, the principles indicated that for a seasonal brand such as A.1., the use of 15-second TV commercials could be highly effective.

In line with that principle, the media team stuck to heavy-up advertising during the grilling season (April–September) including a mix of 15- and 30-second commercials. Nielsen data had suggested to them that early season holidays were key to establishing seasonal eating habits, thus the media team weighted up ads during the lead-in times for Memorial Day and July Fourth.

Test Marketing

An underutilized analysis technique, often avoided or dismissed due to perceived high costs and unwieldy execution time frames, is test marketing (in field test markets). Although test marketing is perhaps the purest form of the scientific method that advertisers can turn to in order to assess effects, it is rarely used today. That said, in the A.1. campaign, an alternative form of the test market approach, using multivariate regression models, was used to approximate a "true" test and control experimental design to achieve synthetic results and guidance.

The A.1. team used this technique to derive effects in several randomly chosen markets to isolate the incremental effect of advertising with all other factors held constant (controlled). In this case, trade support, couponing and other promotions, pricing, marketing differences, seasonality, and competitive advertising were synthetically (statistically) controlled using multivariable regression. The results clearly indicated that media money would be best spent by putting heavier spending levels early in the season. In addition, the model suggested that A.1. Steak Sauce was driving a substantial halo effect on the other primary A.1. product, Marinades. All this meant is that its brand potency was so high that it carried over to other products in its portfolio. Thus, a healthy media plan focused on steak sauce would benefit both sides of the business most efficiently.

As a result, the decision was made to rotate the three TV ads for steak sauce to keep the campaign fresh and dynamic. The 2002 TV plan consisted of all cable, with an average of 300 spots per week on air during the prime grilling season, and nearly equal balance of 15- and 30-second spots (55% to 45%). This was supported by a similar strategy for the print ads, including both steak sauce and marinades, during the grilling season.

DEMONSTRATING SUCCESS

In common with the other Ogilvy winners profiled in this book, multiple measures of success are the rule, rather than the exception. Most, if not all, include some syndicated tracking success measure, combined with some form of sales or brand tracking assessment. The absolute importance of this final evaluation is key to establishing and sustaining a marketing research process approach, as opposed to a disconnected, and suboptimal, usage of the data, information, and research resources on which organizations typical fall back.

A.1.'s new "Yeah, It's That Important" advertising campaign drove significant increases in base volume revenue in 2002, outperforming a successful 2001 "Waiters" campaign, and generated meat sauce category growth for the first time in three years:

- Base volume revenue increased 5% (2001–2002).
- Average weekly revenue up 28% and share up four points during the January–April 2002 period (compared to 2001).
- The $3.8 M ad campaign drove $11.1 M in retail dollars in 2002, which is 55% more efficient that previous year. This translates into a 3 to 1 Return on Advertising investment.

The cynical can point to other factors that may have influenced the sales growth for A.1., but it is clear that, based on category growth and volume, the campaign was a success. Further analysis highlighted a key objective that was attained by the campaign. Panel data from Nielsen HomeScan revealed that the new campaign influenced the light-user segment identified in the research. According to the analysis, these A.1. lighter users increased their loyalty (as measured by share of meat sauce purchases) an impressive four points during the advertising period (versus prior period) and two points over the year earlier.

Arbor Brand Vitality Tracking further monitored indicators of brand health, based on a proprietary model of brand vitality used by Kraft, including A.1. Again, although short of sales measures, the fact that measures of ad and brand awareness, association with positioning, retention, satisfaction, and loyalty all increased after the new A.1. campaign was launched provided further support that the detailed, research-based campaign was a success.

Sidebar C: Brief 1—Crest Whitestrips (P&G)

The Challenge

The whitening toothpaste subcategory emerged in the late 1990s. Ongoing research by P&G's Crest brand, however, indicated that many consumers were not satisfied with the whitening performance of such products, but also were not about to shoulder the costs of whitening their teeth at the dentist's office. As a result, P&G set out to reinvent the category by offering an affordable product that delivered noticeable results, usable at home.

A multifunctional team was tasked to explore and satisfy this identified consumer need. Key issues were to determine, first, the overall business potential of an at-home whitening product while managing the risk to the core toothpaste business. This actually was a dual risk: maintaining a long-standing relationship between Crest and dental professionals, while also mitigating the financial commitments of an initiative of this magnitude.

Consumer research was a key element of success, used to identify the need, define the business potential, establish the strategy, and develop and refine communications. In the end, a systematic application of a number of qualitative and quantitative research methods and techniques, appropriate to the research questions, led to a successful outcome.

The Insight

Using both qualitative (focus groups) and quantitative research (concept and copy testing), P&G confirmed the fact that whiter teeth hold a deep attraction to people because they represent youth, beauty, and health at both a physical and symbolic (rational and emotional) level. In addition, they gained valuable knowledge about perception: consumers in general were skeptical about the efficacy of whitening toothpastes, but also were not willing to underwrite the expense and time necessary to undergo whitening treatments at their dentist's office.

The Communications

P&G communications centered on efficacy, ease-of-use, and value to the target consumer. The first TV campaign educated the audience via the use of expert testimonials, not just regarding teeth, but also about restoring the lost beauty of important objects. The second TV campaign reinforced the convenience of the Whitestrips product and offered a unique demonstration. P&G also utilized several prelaunches through dental professionals, the Internet, and a controlled market test to better understand the target consumer and refine the communications.

The Payoff

Crest Whitestrips became Procter & Gamble's most successful new product launch since 1983. Within one year, Whitestrips delivered over $200 million in retail sales (seven million shipped units). The product assumed immediate domination of the whitening category: 50% volume, 70% value share, and 80% awareness. By the end of the year, 50,000 dental offices offered Professional (version) Whitestrips to their patients. In addition, an unexpected bonus: thanks to the effectiveness of the Whitestrips advertising, a new word was added to the American vocabulary … White-stripping.

Sidebar D: Brief 2—Duracell "Trusted Everywhere" (Gillette, Now Part of P&G)

The Challenge

After years of parity performance claims and advertising sameness, battery brands were becoming a commodity, rendering the battery purchase decision unimportant. A certain pink bunny, highly likeable and memorable, had reduced the category to an incomprehensible battleground over essentially meaningless performance attributes. Because of this downward spiral, Duracell market share, value perceptions, and leadership image were suffering.

The Insight

Using both qualitative and quantitative research involving both consumers and employees, Duracell uncovered the basic elements of its "Trusted Everywhere" campaign: emotional involvement, expert use, and a consistent compelling tagline. The primary insight that emerged was that Duracell was the battery of choice for a variety of critical situations (involving life, death, or money) where things just had to work. By raising the level of its communications and messaging, Duracell was able to rise above the crowd and reestablish a new position for a great brand and product.

The Communications

Duracell's new communications centered on data-driven, quantitative objectives or hurdles to guide success. For example, ads were tested to ensure they communicated on-strategy for trust, dependability, versatility, and changed perceptions of the category and product. Educating the consumer in a very warm and low-key way, by using voiceovers from celebrity Jeff Bridges, the ads stayed on message and delivered a distinctive multidimensional (tones, sounds, words, and symbols) closure that reinforced the message consistently. Research even showed that the sound and plus–minus symbol of the Duracell brand further reinforced its authority and status, thus it is now included at the end of every TV spot.

The Payoff

Duracell share and volume both increased in year-to-date comparisons, representing, as well, a reversal of share declines since the late 1990s. Competitively, the launch of "Trusted Everywhere" coincided with a reduction in market share of a chief competitor, Rayovac. In addition, market mix models confirmed the incremental impact of not just the tagline, but media planning and copy effectiveness. Finally, brand tracking of short of sales brand measures confirmed that Duracell was indeed saying something important, was more interesting, made consumers more likely to consider the product, and made them think differently about Duracell.

6

Reaching Multiple Customer Segments with a Powerful Idea

OVERVIEW

Microsoft is a global brand that is genuinely admired for its innovation, technology leadership, and quality products. Although Microsoft is held in high esteem in many dimensions, over the past several years there has been a divergence between Microsoft's corporate vision and the public's perception. Negative publicity surrounding the U.S. Department of Justice's litigation and continued legal challenges in European markets against Microsoft concerning monopolistic practices have had a lingering impact. The general court of public opinion might say that they do not always feel that Microsoft puts its customers first. As a result, although Microsoft continues to be admired for its success and dedication to innovation, there are some widespread and influential audiences whose perceptions of Microsoft have become somewhat negative.

The core problem that Microsoft faced was that people respected the company for its brainpower, but they did not believe that it had a heart. Yet, as Microsoft employees discovered in formal and informal discussions with customers, people recognize and feel the life-changing power and necessity of products such as Office or Windows. Most could not imagine life without these products. Many customers wondered how they got things done before the technology revolution and how Microsoft has helped to make the PC, and information access and manipulation in general, a mainstay of day-to-day life. In one generation, there is a shared perception that we have lived through the emergence and blossoming of an information revolution that rivals an earlier industrial revolution, of which Microsoft has been a critical part.

A commitment to mission reflects the passionate feelings of Microsoft employees. Internally, Microsoft employees have a fervent belief that their work will make tomorrow a better place. But Microsoft, at many levels, also realized that the divergence of perception and reality needed to be addressed. It is from this interaction of internal individual, group, and social dynamics with dissonant external forces that a small idea, later named "Realizing Potential," emerged.

Realizing potential was not something executives at Microsoft created out of thin air or even around a conference table; it arose almost unconsciously from the very fabric of the work-life and culture of the organization. However, it was formed, articulated, and clarified by extensive qualitative brand essence research among Microsoft customers and employees. As the concept grew in strength and importance, internal programs were launched to evangelize this new corporate mission companywide, culminating in a powerful brand video developed by the ad agency McCann-Erickson that articulated the idea in dramatic and emotional style.

A stark demonstration of the power of this bottom-up effort occurred when the McCann video was shown at a major Microsoft corporate meeting: rounds of applause and spontaneous cheers emanated from the assembled. It seemed as if the video encapsulated the passion and intangible heart that Microsoft employees felt and understood immediately. However, being members of the society, in addition to being Microsoft employees, the video also captured for them the tension of the current external and internal dynamics they lived with, and provided an immediate release, a powerful flash point they could all relate to, resulting in the spontaneous reaction in the corporate setting.

This response and recognition was not ignored. From this remarkable starting point, Microsoft chose to develop this small idea into a broad, external corporate campaign to involve and engage the public. Throughout this process, research played a pivotal role in shaping and molding this nascent campaign idea to ensure that it would capture the essence of Microsoft's brand. But, perhaps more important, as Microsoft would discover through research: how does the Microsoft brand resonate with customers? How do they think and feel about their improved ability to complete tasks, gather and manipulate information, and enjoy new forms of leisure, entertainment, and play; in short, "realizing their potential" via the use of Microsoft products and innovations.

Microsoft advertising traditionally had been product-focused, but the creative platform and tone of the new corporate campaign that was slowly taking form was definitely more emotional in nature. Thus, the new advertising objectives would need to go beyond that of a defensive public relations effort to counter negative impressions, toward a significant deep-dive effort to wipe the table clean and use customer-centric research to build and communicate a truer, more powerful, and more genuine image of Microsoft's brand essence.

Microsoft ultimately unfolded an eight-phase research process, which is described in detail ahead, to accomplish their goals. Because of the power of numerous factors interacting with each other and informed by the intelligence and insight garnered from research, the results of the "Realizing Potential" campaign exceeded all expectations, meeting goals within six months, not just short term but also those of the three-year plan. The success of the campaign, supported by research, convinced management to sustain a new way to do advertising in the U.S. and expand the campaign globally in the next fiscal year. Research was and continues to be a critical element in the success and sustenance of the advertising campaign.

THE BUSINESS CHALLENGE

Microsoft is one of the most widely recognized brands in the world. Although they have been helping technology partners and customers realize their potential for over two decades, this intangible value was almost a given, a latent trait so obvious that the Microsoft culture and organization rarely consciously considered or mentioned it. It was not until a convergence of external factors struck at the core of the brand's essence, and created disequilibrium in the organization between what was perceived and felt internally with growing negative external perceptions, that a deep-dive exploration of what Microsoft means to its employees, partners, and customers, was initiated.

Microsoft perceived the challenge to be more than the DOJ hearings and negative press, although these were a trigger to self-examination as an organization, but a fundamental questioning of "Who are our customers?" "What does Microsoft do for them?" and "How can we build better bridges, rather than barriers, for business in the future?"

Against this background, Microsoft used extensive research to shape and mold a nascent idea that had bubbled up from the depths of the organization. This became the "Realizing Potential" campaign, and it used research to inform strategy, to guide messaging and executions, and to evaluate performance.

THE CAMPAIGN

Put in straightforward business terms, the initial assignment was to create a U.S. advertising campaign to strengthen and build brand perceptions by conveying what the company felt were the true motivations behind the Microsoft brand. But it was more than that. The campaign was intended to create a deeper understanding of and the larger context behind Microsoft's mission as a company, as well as the value its products bring to individuals, business, and society. The goal for the advertising was to increase positive associations with the Microsoft brand while communicating, in a relevant and emotional tone, the corporate mission to external audiences.

Targeting Customers

The media plan was built with a holistic and inclusive audience in mind. The primary target audience for the campaign consisted of a segment Microsoft called Tech Engaged Influentials (those responsible for driving technology trends and influencing public opinion), however, Microsoft broadened the plan to reach the general public (PC users in the household) and IT and technical professionals.

The television campaign was to air in several U.S. spot markets between November 2002 and June 2003, with a decision on sustaining media and new creative in May 2003, after an evaluation was run. This decision was contingent upon research (tracking) results demonstrating initial campaign success in-market. Campaign goals were ambitious and included positively moving direct and indirect effects on key elements of brand resonance, defined at the outset.

The campaign used TV and print media in combination to drive an emotional message efficiently across a broad spectrum. Print was used to present more informational, targeted stories providing continuity with the more emotional TV ads. The overall strategy was to apply a consistent, but moderate, level of media pressure to create a slow burn over time. This was founded on the belief that a heavy media weight over a short time would impede the campaign message. Unlike an organization looking to quickly promote or drive awareness for a new product, Microsoft's goal was to literally change the way people perceived Microsoft's core brand essence, potentially a very long-term effort.

HOW RESEARCH CONTRIBUTED TO STRATEGY

Microsoft employed an eight-phase research process that integrated the learnings from quantitative and qualitative results. The phases were staggered and linked so that key intelligence and findings from one phase could be incorporated into later ones. Market research supported four areas that ultimately shaped the campaign strategy:

- Identified the appropriate tone for Microsoft corporate advertising
- Informed and clarified the primary idea driving the campaign
- Assessed the best ways to articulate this idea
- Sustained comprehensive understanding of the media role in relation to the differential segments that Microsoft targets

Figure 6.1 details the eight-phase research path and its timeline.

Rich qualitative input garnered from the initial formal brand essence research fed into the development of messages for the Microsoft corporate messaging study conducted in the U.S. in February 2002. This study was designed to identify the best messaging for the corporate mission, "Realizing Potential Unlike many organizations that rely heavily on qualitative research for messaging, Microsoft uses a quantitative methodology to validate positioning and identify the most compelling messages." In this case, Microsoft used a proprietary method that was adapted from a political messaging research model.

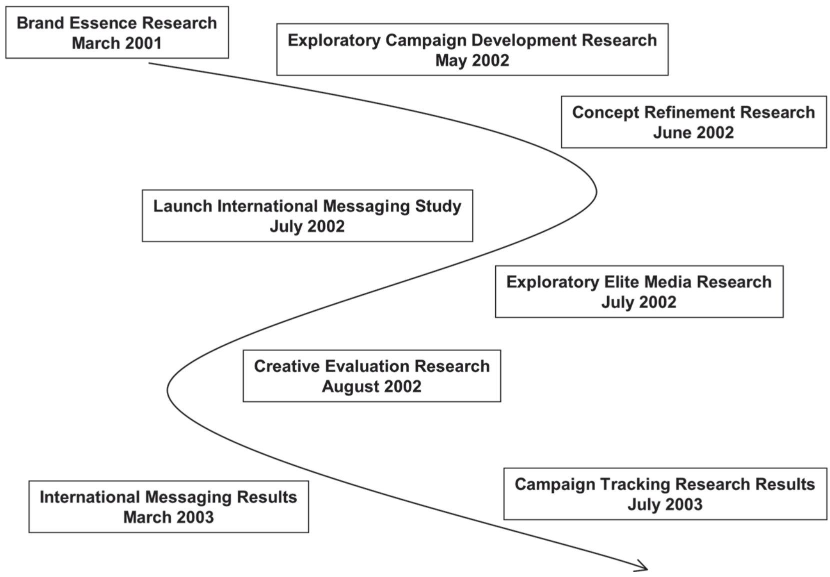

FIGURE 6.1 Microsoft's eight phases of research.

Although details of this methodology are not available, this is values-based research. The concept here is that the underlying tone of the message must match the values exhibited by the target audiences. Best-practice research suggests that values are more stable indicators of behavior than more superficial attributes, such as pricing. Particularly when dealing at the level of a corporate brand, working at a symbolic meaningful level (called "tones" by Microsoft; see Figure 6.2) is most relevant. The methodology used in this case study is not dissimilar to that pioneered and employed by Dick Wirthlin, another researcher influenced heavily by the political opinion research model, called laddering. Some of the key messaging insights that were derived included:

- "Realizing potential" messages were among the strongest cross-audience messages in the study, relevant and compelling to all four Microsoft customer segments.
- The messages could be extended and connect credibly to Microsoft's sub-brands. Therefore, a corporate campaign could be run in tandem with a product campaign to reinforce existing positive brand perceptions.
- As a result, the messages had something that speaks differentially to audiences' value systems.

This research provided the strategic messaging guidance for the advertising campaign. Microsoft tested over 300 corporate messages (including "realizing potential") among 16 separate audiences across the U.S. Each

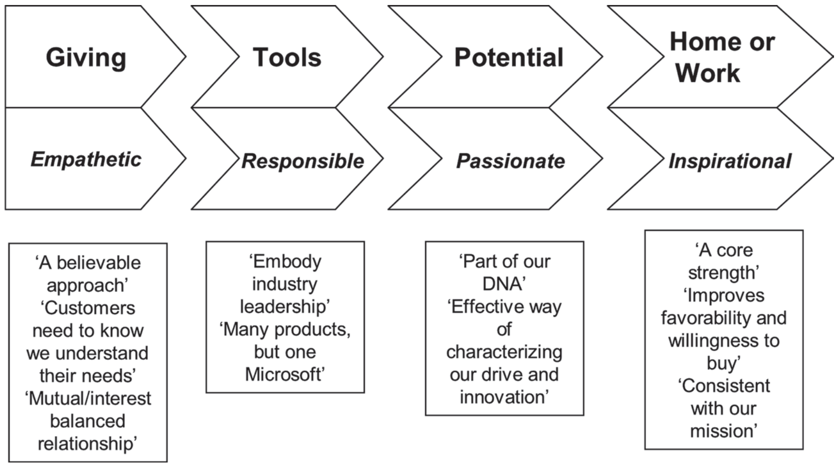

FIGURE 6.2 Tones for realizing potential.

message was evaluated on three metrics: believability, favorability, and convincingness. A composite index score was created for each message based on these three metrics, and ranked. Five messages were chosen and tested to reflect different tonalities, while keeping the content consistent. Thorough analysis of the metrics and composite index resulted in extracting the most effective tones for realizing potential. (See Figure 6.2.)

The next phase of strategy research was conducted in the U.S. in April 2002, a qualitative project that tested eight triads in proposed U.S. spot markets among the important Tech Engaged Influential segment. Building upon the results of the strategic messaging research, these creative workshops helped Microsoft turn the strategic platform into a single, but multidimensional, advertising idea. Simply put, the research helped Microsoft to bring their message to life. By receiving feedback on the proposed strategy and messaging, and coupling it with the appropriate tone of voice, Microsoft was able to build the strategic foundation to go forward to the next phases.

This phase of research also unearthed a fascinating dialogue with Microsoft's target audience. It started with an interview where people were asked their feelings toward different corporations: what made some admirable and others not? What perceived values did these companies embody? From this initial discussion, an array of corporate TV ads, including Microsoft's internal brand video, were introduced. Attitudes toward corporate advertising were explored in a broader context, and then narrowed to focus on opinions about the Microsoft ads: what about the advertising made them stand out? How did the ads affect attitudes toward Microsoft as a company? In short, this study

- Confirmed the relevance of the strategic idea to the target and the Microsoft brand. "Realizing Potential" was a rich and clearly motivating concept, but barriers to the core message and connection with the audience clearly existed.
- Provided guidance on enhancing the message in order to reduce existing barriers, particularly about how to get the tone of voice right.

Microsoft was now well equipped to move forward. They had a brand "truth," and key direction in terms of how to make it matter to their target audience. Most important, they had taken a nascent concept that arose from deep within Microsoft's corporate culture and worked diligently to understand it, using research as the primary tool. All along, Microsoft sustained a sincere belief in the power of the research, to the point of questioning accepted practices, ideas, and protocols about how they do advertising. In fact, the research strongly suggested that Microsoft needed to transform itself from a "you" orientation to a "we" orientation, for example, adopt a more customer-centric approach.

To be successful and on-message (in terms of tone, sincerity, trust, etc.) Microsoft had to turn traditional, culturally bound thinking from an inside–out perspective (marketing to customers) to one that was outside–in. Clearly, the research supported a relationship-oriented perspective that reflected Microsoft's understanding of customer needs, values, opinions, usage, and why people held Microsoft loyal. Although this seems like a minor adjustment, we show later that the payoffs are anything but minor. This is typical of Ogilvy Award-winning case studies.

HOW RESEARCH CONTRIBUTED TO MEDIA PLAN GUIDANCE

The research to date had helped define the campaign message: "Your Potential Is Our Passion." The agency then made extensive use of the data from the Computer Industry Media Study (CIMS), a database that Microsoft was instrumental in creating in the mid-1990s to address the fact that traditional media studies did not adequately identify and profile computer users. The task was to take the Microsoft segments and map CIMS data to that audience to build a target database and develop the plan.

In addition to this syndicated media data, qualitative research was conducted to aid in identifying the most effective media vehicles and strategy for reaching the Tech Engaged Influentials. Specifically, the research was used to understand

- The media consumption processes of this target group
- The mood/frame of mind in which various media are consumed and how that affects receptivity to messaging
- How the perception of messaging is affected by the type of media vehicle

A qualitative media test used four focus groups and eight in-depth interviews in U.S. spot markets among Tech Engaged Influentials the week of July 8, 2002. This was a three-part exercise, designed to understand the flow of respondents' days, their frame of mind at various times throughout the day, and how various activities/moods influence their media consumption and their receptivity to new ideas. Respondents, in two teams

- Outlined the story of a typical work or leisure day
- Selected specifically designed mood cards to capture emotional state and felt receptivity to information
- Outlined in detail the media consumed (actively or passively) at each stage of the day

The results confirmed a standard segmented workday that included home, commuting, and work. Mood and attention levels represented a bell curve with the highest levels occurring when people were engaged in work. Receptivity to new ideas ran inverse to the bell curve of work engagement. That is, the beginning and end of days were where greatest receptivity occurred.

The weekend or leisure day more closely approximated in mood the two ends of the workday, and, in general, provided a time of great receptivity to new ideas. Most media presented on the weekend was the same as that during the week, but it was absorbed in a more relaxed and receptive mode. Weekend reading, for example, often consisted of information (magazines, newspapers, trade publications, etc.) that was collected from the busier workweek days. In addition, leisure publications relating to lifestyle interests tended to be read over the weekend, when Tech Engaged Influentials reported they could take their time with them.

Different media types and vehicles played different roles in communicating the corporate advertising message. Some media (e.g., transit, radio, and news Web sites) proved a fertile environment for seeding a message or creating receptive moods. Less traditional (nonbusiness, Microsoft discovered) media sustained an environment where the message could stand out and be noticed in a relaxed and reflective environment. What was missing in this environment was an authoritativeness that was transferred via traditional business media that Tech Engaged Influentials felt conveyed a serious and credible message.

Although the concepts of Integrated Marketing Communications (IMC) have gained wide acceptance in the field, many companies are not truly leveraging the multidimensionality of communications effects. Ogilvy Award-winning organizations are demonstrating that the synergy of media types and vehicles can make a difference in advertising success or failure. Microsoft's holistic approach took into account the synergy of advertising as it occurs in the real world. Their premise was that Tech Engaged Influentials are people who attend to a variety of messages but in a differential fashion depending on the time of day and the day of the week. This is a simple, but powerful, concept that works because it breaks down the siloed approach to advertising inherent in the inside–out perspective (marketing to people) most organizations make. Instead, Microsoft supported a customer-centric (outside–in) perspective that asked, "How do people respond to marketing, and why?"

Going deeper, Microsoft uncovered a concept they named "white space" that worked specifically at the level of corporate advertising. Serious and authoritative messages stood out, generally, when the figure–ground relationship was clear. In the context of media, this meant that corporate ads or commercials tended to stand out most when they were viewed in uncluttered environments. This included outdoor billboards, sponsorships on public radio, business publications not loaded with other ads, and uncluttered editorial environments.

As mentioned earlier, however, Tech Engaged Influentials are people who do not consume media in a vacuum. On the other side of the coin, they were quite accepting of corporate advertising in nonbusiness publications as well. The most natural fit was TV, where people are used to seeing advertising of all kinds. Lifestyle or interest magazines, such as *Golf Digest* or *Sports Illustrated* were felt to be acceptable, too, especially if the advertiser tied the ad into the publication in some way. Even if that was not the case, most realized that advertisers tended to target the demographic and thus, in general, accepted the practice. Popular culture magazines, such as *People* and *Us* were, for the most part, deemed acceptable for corporate ads, although Tech Engaged Influentials suggested that it may be difficult for such ads to break through the clutter of these mass-consumer-oriented publications.

Microsoft boiled down the research issue to receptivity. Their target group didn't live in a vacuum. Clear, precise business ads might not be appropriate (hold less probability to make an impression) when Tech Engaged Influentials had their leisure hats on. Alternatively, more emotional or sophisticated corporate branding attempts might fall flat when presented in a business environment (during intensely engaging work periods). So, having identified a general pattern for receptivity to messaging, Microsoft media worked to optimize the ways they could communicate across many channels to their target audience of Tech Engaged Influentials.

- Authoritative media, such as the *New York Times, Washington Post,* and *Wall Street Journal*, should present clear figure–ground messages, even though these were just as likely to be consumed at a reflective time of day as opposed to during a workday.
- Entertainment/lifestyle media (TV and print) could present a more emotional and sophisticated message (as long as it clearly stayed on-message), as it was usually only consumed during reflective moments.
- Tech Engaged Influentials were clear about the importance of one primary channel: personalized Web pages for general and technology

news. This was one resource this audience said they could not do without, and a strong cue for Microsoft to consider.
- CNN (and possibly other all news channels where available) due to its ubiquitous presence could support a visual message as TV sets were often muted during the workday, or difficult to hear in public venues, such as airports.

In the end, the research findings supported basic principles of information theory that suggest that the most efficient form of communication occurs when the message (what we want to communicate) appears front and center in a simple, understandable, and clear manner, in contrast to an undifferentiated background (called white noise in information theory). For the business audience (Tech Engaged Influentials), in a business setting (time of day during the work week), this format was what worked (and made an impression). At other, more reflective moments, a more sophisticated or emotional tone and message could be supported (as long as it was on-message) without fear of being missed because Tech Engaged Influentials were more receptive on weekends, in the mornings, or in the evenings.

HOW RESEARCH CONTRIBUTED TO THE DEVELOPMENT AND STRENGTHENING OF ADVERTISING

A unique challenge was laid out to McCann-Erickson regarding the creative objectives that Microsoft wanted to achieve. In simple terms, Microsoft wanted to surpass the felt impact achieved with the initial corporate brand video that had caused such a spontaneous and positive reaction from the internal audience at the corporate meeting months earlier.

Three creative routes were presented by McCann's San Francisco office. One, entitled "White Lines" was chosen to undergo a process of creative development and evaluation. In May 2002, 118 25-minute interviews were conducted in each of the proposed U.S. spot markets with Tech Engaged Influentials. McCann developed seven TV executions which were presented in storyboard and audio form, accompanied by a short video clip demonstrating the white line animation technique.

Useful direction occurred strategically, creatively, and executionally around the ad idea.

- The creative work was judged very much on strategy, communicating a strong sense of Microsoft's vision. Most were willing to believe the message, supporting with confidence that the idea and tone were on target.
- "White Lines" worked beautifully to bring the strategy to life; by superimposing the future potential (using the white line technique) on images of young people, the creative idea came to life.

- The tone, even in a rough form, presented a new voice for Microsoft. The softer, warmer, and more human persona was critical to achieving the full impact of the "realizing potential" message.

The impact of the tone of messaging needed to reflect the universal relevance of the message by showing real people in real situations (figuratively, not necessarily literally). It needed to sustain a sense of the individual, in the context of a larger humanity, while also placing people in the foreground and technology in the background. In August 2002, Microsoft went out again with near-finished work to test both TV and print ads via 100 personal interviews among the target group.

Perhaps because of the extensive foundational research, little adaptation was needed before the final decision. The message, the creative idea, and the tone were all working well, and the combination of these factors was felt to be distinctive for Microsoft, and even for their advertising in general. Most important, the campaign was believable, although clearly a stretch for Microsoft in sustaining a broader dialogue with their audience. Given the positive success suggested by the research, an integrated public relations plan and community outreach program was timed to run simultaneously with the advertising.

HOW RESEARCH CONTRIBUTED TO EVALUATING THE ADVERTISING

The objective of the Microsoft tracking research was to measure the effectiveness of the campaign in U.S. spot markets and to measure the expected increases in positive brand perceptions, as well as the increases in overall favorability toward the brand among key target audiences and the public. An integrated research design was aligned with ongoing perception tracking to measure these effects, specifically,

- To identify the effective impact of the corporate campaign on key measures
- To gauge the impact of the campaign on perceptions toward Microsoft, as a company
- To diagnose how the campaign was affecting brand perceptions

The tracker was fielded on a pre-, mid-, and postcampaign cycle in order to allow advertising and communications efforts time to move the dial. A prelaunch wave of interviewing was conducted in December, 2002, followed by a postwave launch in June, 2003. A midwave was completed to provide internal stakeholders with course-correction information and also for planning purposes for the next fiscal year. It also served as an early warning measure to indicate whether Microsoft was on target to achieve goals of the campaign.

The pre–post design is common in market research. Borrowed from the experimental design arena, it is used to measure changes across time in terms of ad or marketing effectiveness. Because, in marketing, the measures are generally not taken on a random sample of respondents, or in a controlled scientific manner, these designs are termed quasi-experimental design approaches.

This design used by Microsoft is one of many that could be applied in marketing. (See Sidebars E and F, which present a short primer on the basic principles of experimental design.) Although not an indictment of Microsoft's approach, pre–post designs, in general, suffer from some primary weaknesses, mostly to do with internal validity challenges. There are factors that can account for the results on the posttest, other than the factors we are hoping to assess as the primary impact (in this case the new Microsoft campaign). In terms of the Microsoft evaluation, the following validity factors would need to be considered.

- *Maturation:* Brand sensitization, or a propensity to be loyal to the brand based on rational or emotional motivations, can be influenced via the sampling variation between the pre- and posttest. If Microsoft had developed a brand strength benchmark measure, and then assessed the changes across time (in terms of advertising awareness) their data could be equated on brand sensitization to control for this internal validity threat.
- *Testing Threat:* This threat only occurs in the pre–post design. Being exposed to advertising (getting/not getting your program) affects how participants will do on the posttest. The issue in advertising is how much of that is a real effect and how much is due to familiarity with the advertising already seen in the pretest.
- *Instrumentation Threat:* Like the testing threat, this one only operates in the pretest–posttest situation. What if the change from pretest to posttest is due not to your advertising but rather to a change in the test that was used? This is what is meant by an instrumentation threat. In either event, it is the change in survey, not the program, that leads to the outcome. This is a common problem in uncontrolled tracking studies.

Sidebar E—A Brief Outline of Experimental Design Principles

Basic principles of experimental design:

- Regarding random sampling and assignment, for true scientific experiments, respondents must be randomly chosen and assigned to treatments. In applied market research, this is usually not possible, so techniques of representative (probability) sampling are employed.
- Controls, both design and statistical, are necessary inasmuch as experimental design works by controlling factors that could influence the causal

relationship we wish to study. Control can be exercised via the research design (randomization, pre- and posttests, control groups, etc.) or via statistical control procedures that allow analysts to isolate or equate groups for measuring the comparisons of effects or the strength of relationships.
- Optimal research designs need to address internal and external validity threats. They are outlined in detail below.
- Experimental design works by isolating variables of interest to test causal relationships, as opposed to simultaneous estimation of effects using a number of potentially unrelated variables and inconsistent measures.
- Experimental design supports an important technique for marketing and advertising, which is "conversion," literally returning to people who indicate, on a preference or choice scale, an intent to purchase (within-subjects design) to assess behavioral changes of interest (did intent result in purchase, for example).
- Experimental design collects information at a primary, customer-centric, level.
- Experimental design builds efficacy over time from the bottom up by building convergent and discriminant validity, literally a set of results that consistently converge on the same "answer" time after time while also affording detailed information, support, and understanding that differentiates relationships of interest.

A proper design for assessing causality in an applied field such as marketing and advertising would consider:

- Using random selection
- Building probability samples, projectable to a population of interest
- Collecting large (N = 1500–3000) samples to sustain detailed subgroup analysis that meets client need and objectives
- Establishing controls, meaning that internal and external variables that could influence a study's result are mitigated. Note, these variables are not necessarily measured, but "considered": for example, their possible impact is ruled out as an alternative cause of an effect (or relationship) we are studying.

Robust test/control design with random selection controls all internal confounding factors identified in the best practice of scientific experimental design (also called controlling for internal validity threats). These threats are detailed as follows.

- *History:* It is not your marketing program that caused top-line sales to plummet; it's something else, some external event that occurred. Intervening variables, lurking factors, or shocks to the system that occur during the dynamics of marketing in the real world.
- *Maturation:* If we refer to a specific event or chain of events that could cause an outcome, we call it a history threat. If we mean all of the events that

typically transpire over a period, it is called a maturation threat. In marketing measurement, brand sensitization is a common culprit.

- *Testing Threat:* This threat only occurs in the pre–post design. Being exposed to advertising (getting or not getting your program) affects how participants will do on a post survey. This element of pre–post validity concern is frequently overlooked in advertising measurement.
- *Instrumentation Threat:* Like the testing threat, this one only operates in the pre–post survey situation. What if the change from pre- to post-survey is due not to your advertising but rather to a change in the survey that was used? This is what is meant by an instrumentation threat. In either event, it is the change in the survey, not the campaign, that leads to the outcome. It is commonly uncontrolled in tracking studies.
- *Mortality Threat:* Dropping out of the study, known as the Missing Completely, NonRandomly (MCNR) effect describes where important segments drop out systematically, resulting in bias and lost information on true effects.
- *Regression Threat:* A regression threat, also known as a regression artifact or regression to the mean, is a statistical phenomenon that occurs whenever a nonrandom sample is collected from a population and two measures that are imperfectly correlated are used. The results can be misleading because higher scores go down and lower scores go up (regress to the mean) relative to the larger population from which they are selected. It manifests itself in results that are not correct, but are due to the statistical artifact.
- *Multigroup Interaction:* This is also called a *selection bias* or *selection threat*. In advertising, a selection threat is any factor other than the advertising program that leads to differences between groups. A common form in marketing is differential group impacts, which are frequently overlooked in standard cross-tab analysis. Another is using comparable samples (as in tracking) to establish pre–post survey differences. It is virtually impossible to tell if the change is due to the variable(s) of interest (advertising) or the difference in the groups.

In addition to internal, the external confounding factors must be considered in designing proper experiments.[1] External validity is the degree to which the conclusions in a research study would hold for other persons in other places and at other times. It addresses how you might make a mistake in generalizing your results. For example, you may conclude that the results of your study (which was done in a specific place, with certain consumers, and at a specific time) can be generalized to another study, completed with slightly different people, and at a later time. Perfectly reasonable. However, there are three major threats to external validity in this situation because there are three ways you could be wrong: people, places, or times may be different, thus rendering your results suspect. Addressing or considering external validity challenges allows you to rule out potential (external) causes affecting your results. External validity is influenced or controlled by

- Sampling: Random selection or assignment to treatment groups.
- Proper test and control designs.
- Proximal similarity: Do results transfer to different verticals or marketing situations?
- Replication: Discriminant and convergent validity based on the empirical results of many studies over time coming to the same or similar conclusions.

Sidebar F: Types of Experimental Designs

Campbell and Stanley[2] identified three basic types of experimental designs: pre-experimental, true experimental, and quasi-experimental.

Pre-Experimental Designs

The pre-experimental designs include at the simplest level the One-Shot Case design, which fails to account for carry-over effects of marketing activities prior to the treatment and, because it lacks a control group, completely fails to control for possible exposure to stimuli from competitive marketers and other such threats to validity. The One-Group Pretest/Posttest design is somewhat better, but is still a weak design because it fails to control for unintended events that may occur during the treatment interval, thus threatening the study's validity. The Static Group Comparison provides for two study groups, one of which receives the experimental stimulus and the other serves as an untreated comparison group. The advantage gained by adding a control group is lessened because this design does not ensure that the two groups are comparable initially and the failure to randomly assign the treatment and control conditions leaves the study open to bias effects. Pre-experimental designs are deficient because they fail to provide comparison groups that are equivalent.

The innocuous phrase "natural experiment" is sometimes used in reference to a study that has, in fact, a one-shot or other pre-experimental design. Findings from in-market studies that lack a proper control group are subject to multiple interpretations and may reflect the influence of uncontrolled and unidentifiable influences.

Pre-experimental designs do not provide a sufficient means to identify and screen out influences beyond those under study. Without that protection the researcher is at risk to misinterpret a strong increase in consumer response to be evidence of an effective new ad campaign when, in fact, it reflects a weak shift in advertising by a competitor, or a trafficking error that resulted in a higher GRP delivery than was planned.

True Experimental Designs

The true experimental designs (also referred to as Test/Control designs) provide a means by which to measure more accurately and more reliably the impact of a marketing campaign or action. It does this by supporting comparative analysis (between groups) that lets the researcher identify and discount the effect of anything extraneous that might have occurred other than the marketing activity under study. It further minimizes any pre-existing differences between the two groups being compared. Obviously, this capacity makes these designs highly desirable.

Test/control designs can be used with posttest measures, or with both pre- and posttest measures. By pre- and posttests we mean that the subjects (people, cities, or other units) are measured at a point in time before the test group receives the treatment and again after the subjects in the test group receive the treatment. The change in the test group is compared with the change in the control group. Pretests are not generally necessary because the random assignment of people to the test and control groups ensures that the groups are sufficiently similar to permit an unbiased measurement of the treatment conditions.

When there is doubt that the selection was truly random, the premeasure can provide some assurance that the groups are equivalent. If the pretest involves a survey that might sensitize the respondent to the advertising exposure to follow, however, it is advised that only a posttest measure be used.

Test-control experimental designs called test markets are excellent methods where they are feasible. Although frequently more expensive than other designs, in some situations they impose conditions that are too artificial or lack the controls needed, thus limiting the ability to generalize the findings to the actual marketplace. For example, if a marketer seeking to assess the impact of increased spending on a television campaign uses local spot TV in four randomly selected markets to supplement a national campaign, the ad placement in those markets may not be equivalent to what would have been delivered with an increased national buy.

It should be noted that in measuring the effects of online advertising, there are challenges to executing a test-control design. Ad servers randomly assign browsers to designate an individual test or control in online surveys. If the person deletes his or her cookies after being exposed to the ads, that person may be wrongly identified as having been assigned to the control or unexposed condition. When such persons are subsequently surveyed, the impact of online advertising will be underestimated.

Quasi-Experimental Designs

Quasi-experimental designs are often relied on for media and advertising studies even though the efficacy of true experimental designs is not in dispute. Under real-world conditions, it is difficult to achieve control in advertising studies. Contamination can result when those in the control group are exposed to the test advertising; for example, magazines with test ads may get mistakenly shipped to control markets, or a TV station may fail to substitute the control ads. Quasi-experimental designs are used in such situations.

The most commonly employed quasi-experimental designs for cross-media measurement are time series designs. Here a series of measurements is made, preferably with multiple measurements taken before the treatment condition is applied. In this design there is no separate control or comparison group, although there could be. An example of this type of design is seen when network TV advertising is ongoing and online and radio advertising are added. Although the online and radio ads may be presented using a test-control design, the TV advertising may not be removed when TV budgets are large and it is considered prohibitively expensive to cut in ads for another of the advertiser's brands to test a plan of reduced TV spending. In such an instance, the normally occurring variations in TV weight are used as a means of estimating the incremental contribution of the TV spending at alternative weights. It is essential that the number of measures in the time series be extensive enough to allow the researcher to properly estimate the quantitative relationship between the consumer response and the TV spending level.

Measuring Synergy and Other Interactions

Frequently, a marketing problem arises that requires that we evaluate the interplay between two or more marketing drivers manipulated together. Consider the question, "Does increasing my TV advertising spending by +10% result in increased sales when trade promotions are reduced by some specified amount?" The technique for accomplishing this is borrowed from the field of agriculture, and is termed interaction analysis.

The experimental design most useful to assess this interplay of drivers is the factorial design in which two or more independent variables are crossed; that is, every level of each independent variable is combined with every level of every other independent variable (called a factor). Each unique combination of the levels of the independent variables is called a cell. Factorial designs are economical because they allow us to look at many independent variables at the same time, and how they may be interacting. This becomes very useful when we have a multichannel marketing program.

Market Selection and Treatment Assignment

Whether a study uses a true or a quasi-experimental design, the selection of the sample to be studied is critical. If the researcher is to generalize from the sample that participates in the study to the general population, or whatever larger population is of interest to the marketer, that sample has to be truly representative of that population. Failure to randomize subjects to control and treatment groups in experiments can produce bias.

If groups are selected in any way that makes one group different from another, then any result you get might reflect the group difference rather than an effect of the treatment. For this reason, it is important to assign, randomly, subjects in a way that ensures the groups are balanced in terms of important variables that could modify the effect of the treatment (e.g., age, gender, media exposure).

Plainly stated, marketing organizations that use experimental design and data-driven measures, diagnostics, and recommendations to improve the effectiveness and efficiency of their marketing efforts can begin to discriminate both effective and ineffective efforts. In addition, they can also build converging evidence over time regarding what drives improvements in advertising and marketing effectiveness and efficiency by using a test-and-learn process. This is a necessary and complementary adjunct to modeling of observational information, such as scanner data, because it brings a causal-based, customer-centric dimension of marketing and advertising research into the marketer's analytic arsenal.

With experimental design engaged, a more complete and accurate picture of the creative and emotional impacts of advertising on marketing and advertising objectives can be achieved. This insight and intelligence balances other perspectives that are focused more acutely on pricing, promotion, and observed behavioral data. With both modeling and experimental design working together, the result is a deeper and more robust understanding of marketing and advertising's impact on not just the hands of the consumers (what they buy), but also their hearts and minds (rational and emotional motivations to purchase).

MICROSOFT INNOVATES DATA COLLECTION

An innovation in data collection, pioneered by Microsoft, but which is gradually being adapted across many marketing situations, is the use of online surveys for data collection. Although the telephone is still widely considered the most representative methodology from a statistical sampling perspective, it cannot be used to show visual stimuli, such as TV, print, or Web ads. Increasingly, phone use is being faulted for any tests of ad recall or awareness because of the requirement to engage the cognitive dimension in attaining the proper answers to these questions. As the ARF emotional response project is uncovering,[3] awareness and memory impressions of ads have a deep emotional layer that is transgressed when the cognitive thinking portion of recall is brought into play. The result is a distorted measure of recall that suppresses or misses the vastly important emotional layer.

Microsoft's method of measuring recognition overcame a significant problem in assessing the impact of advertising. In short, by using the recognition procedure, as described above, they produced results that were highly accurate.

RECALL: RECOGNITION, RESEARCH DESIGN, PRECISION, AND ACCURACY

Franzen (1994)[4] presents a six-level hierarchy of psychological processing of advertising (pictures, words, messages, meanings, etc.). His research suggests that only the recognition method (of measuring advertising awareness) taps into the early stages of processing, which are emotional, unconscious, implicit, and powerful premotivators of attitude and behavior. The recall method, being verbal, cognitive, and abstract, only kicks in at the higher levels, after extensive cognitive processing has already taken place. Recent research by Robert Heath[5] and David Penn[6] offers confirming evidence of the proper distinction of recognition and recall. Indeed, Penn goes so far as to say that we should be attending to both measures in our research, depending on the purposes of our study.

The primary concerns with recall, as practiced in traditional market research, are as follows.

Concern 1

> The traditional telephone-based "proven recall" method is not capturing the full range of advertising impact we should consider in analyses.

Franzen (1994) presents evidence about the importance of emotions and visual cues affecting attention and influencing effective communications. He states that most advertising is processed in a low-involvement situation (lower levels of processing), which greatly limits verbal communication, in particular. Thus, advertising that is often only processed at a preattentive or secondary level under normal conditions, is difficult, if not impossible, to access at the level required during an interview (due to the demand to verbally describe the recall). It is, therefore, crucial for advertising research to approach as near as possible the natural conditions in which ads are processed, and to be very cautious about interviewing people at length about their recall.

Ads measured by (telephone) recall tests will focus respondents on cognitive-heavy product-related attributes, such as visualizations of the consumer need, product attributes, product demos, the package, or the brand name. This is not surprising, inasmuch as recall testing is based on the theory that advertising works by "teaching" you something about the product or service. In fact, that is where recall tests came from originally: your teacher taught you a lesson on Wednesday and gave you a recall test on Friday to see if you learned anything.

In contrast to recall, recognition testing captures the aesthetic or emotional content impact of the ad. Malcolm Gladwell, in his book *Blink*,[7] reports that recent brain research has shown that the images that occur in key visual slices—and not any of the other verbal attributes (descriptions) from the commercial—can still be found in the memories of consumers up to five years after a commercial has gone off the air! Recognition is tapping into that broader layer of impact, not captured in cognitively based recall methods.

Concern 2

> The traditional recall method is systematically excluding respondents who cannot verbalize (or recognize the verbal description of attributes or images from an ad) their recall.

Thus, potentially important subsegments may be completely missing, nonrandomly, in the sample, thus introducing bias in the research design, and ultimately, the results. ARF emotional response research suggests that a total recognition approach results in a broader purer measure of exposure and awareness than verbal, abstract telephone recall.

What is missing in the standard recall approach is the opportunity to capture those respondents who are being emotionally affected by the ads, but cannot verbalize or abstractly describe their recall of the ads. This would obviously have an effect on data results, and ultimately, marketing impact or optimization calculations.

Concern 3

> Many people, including teens and younger children, are not all fully cognitively developed, and thus, the highly abstract and verbal task of "proven recall" may be inappropriate.

In addition to the possible bias introduced due to the cognitive challenge of proven recall for teenagers, the presence of an interviewer (older, adult, authority) on the telephone holds strong potential to influence responses. This is particularly true when the interviewer uses quite precise and direct follow-up questions designed to make sure the respondent has seen the ad. Teens could take this as a challenge, feel anxious, and shut down in terms of their ability to respond.

Interview bias and influence is well documented, and the socially desirable response syndrome (saying what you think the interviewer wants to hear) weighs heavily in sensitive topic areas, such as drug use, or smoking attitudes and behavior. This effect is eliminated, in essence, when people are asked to respond to recognition of something they are physically presented with (with no interviewer presence), such as a TV ad running via an MPEG file on an online survey. When the marketing stimuli are presented in a format as close as possible to what a survey respondent may have seen in reality, many of these data accuracy and quality issues are avoided.

Concern 4

> The strong telephone interviewer presence, and potentially anxiety-producing situation for respondents to prove that they have seen an ad, may result in certain segments of respondents dropping out of the survey (or being terminated). These may be respondents from a discrete segment(s), who share common factors that are quite germane to the analysis. Post hoc it is nearly impossible to determine who these respondents were or what effect they may have had on the analysis.

Note that for a research design to achieve accuracy, it must be precise and have zero, or small, bias. A precise design must have small variable errors. A survey with large bias is still precise if these variable errors are small, but it is not accurate. Although the proven recall method can be precise (result in small errors in the variables), it may exclude the effect of bias. That is, due to the abstract, verbal, and cognitive thinking that must be employed to be qualified as having seen an ad, important segments of the population who saw the ad, but could not pass the test, are excluded. This is the sticky problem of data missing completely, nonrandomly. The attendant result is that the data, although measured precisely, are biased, and thus not accurate.[8]

The recognition (forced recognition) method, on the other hand,

- Is a broader purer measure of the low-involvement spectrum of advertising processing, including important emotional graphical effects that are difficult to put in words, but could have an impact on the effect of an ad on memory
- Is not a threatening approach, requiring cognitive processing abilities that people may not possess
- Supports equal access to address and capture the full range of ad processing that has occurred in the population, due to random (probability) sampling, large sample sizes, and presentation of stimuli as close as possible to what the consumer had an opportunity to see
- Is more accurate, for example, engenders small total errors, and the ability for analysts to examine potential biases

To alleviate the above concerns and additional ones (such as phantom recall) based on telephone-based cognitive measurement, Microsoft took respondents from a 25-minute phone survey, focused on attitudes toward major technology corporate brands, and directed them to an online survey that contained a forced recognition test of the actual TV and print ads of the “Realizing Potentials” campaign. This allowed for more accurate ad recognition and diagnostics than before.

Although ad recognition was certainly more accurate, a potential problem in the pre–post design (without a control group) should be mentioned. Respondents who are shown the ads in the pretest may be “remembering” this exposure in the posttest. That is, a false impression is made that is difficult, if not impossible, to detect. The resulting bias would be misconstrued as higher awareness (gain) scores in the posttest that actually didn't exist.

If Microsoft instead used matched samples, pre and post, another challenge to internal validity would arise. The issue is that the differences in ad awareness and recognition could be the result of differences in the sample, rather than any real gain. This sort of problem exists in educational research when pre- and posttests are done via matching of classes, students, or worse, school districts. The between-groups variability that exists is uncontrolled and only exacerbated over time, and muddies up the determination of the causal effect, thus throwing the results into question.

The point is that experimental design, although powerful in its application, does need to be approached carefully with adherence to fundamental principles. That said, Microsoft used large representative samples in their evaluation surveys, and the significant gains that were reported were quite robust and credible, supporting the likelihood that significant success did occur.

DEMONSTRATION OF RESULTS

As with any good advertising research, the results should reflect adherence to the original objectives of the campaign. First, Microsoft wanted to know if, indeed, their new campaign communicated the corporate mission and message to help people and businesses realize their full potential. Second, they wanted to know if the campaign created a deeper understanding of Microsoft's motivations and the value they bring to individuals, businesses, and society. Finally, they wanted to see if the communications depicted Microsoft's passion for what it does and why.

Microsoft's campaign effectiveness tracker incorporates core image attributes from an ongoing perception tracking study, and adds metrics for success to address specific campaign objectives. Before the campaign, clear goals were set in the areas of: realizing potential, business character, and business fundamentals. Each of these factors had multiple attributes contributing to them. Short term, these goals stipulated a movement of six to eight points in 2003 from the pre- to the postmeasurement, whereas those attributes addressed indirectly by the campaign were expected to take a longer period of time to improve (six- to eight-point movement in 2004–2005).

The set of primary TV (four) and print (two) ads were tracked in spot markets. After less than six months, approximately two-thirds of Tech Engaged Influentials reported recognition of at least one ad. Brand linkage was also strong. Overall, the research showed that the campaign resonated as different and inspiring with audiences, communicated on strategy, and had a positive impact on perceptions of Microsoft. In addition, overall favorability ratings improved significantly across all audiences. Key creative, emotional, and communications objectives were attained:

- The creative did not confuse, rather it clearly depicted the Microsoft brand.
- Among IT professionals, the message was seen as believable and credible.
- The campaign worked synergistically, with ad types and media sustaining different layers of emotional benefits.

Microsoft was interested in seeing the slow burn of the ads over time. They found that the campaign was registering well, supporting the media plan decision. As respondents reported multiple exposures to "Realizing Potential" ads, brand strength, differentiation, and salience grew. This key finding supported Microsoft's decision to expand the campaign without fear of overselling it. Favorability toward Microsoft increased positively across all audiences. Perhaps most exciting was the fact that all the key metrics for success goals were met within six months, even those for 2004–2005.

One of the more innovative approaches Microsoft takes in tracking is to ensure that measurement must be forward looking and contribute to the planning process, rather than just report historic trends. Key forecasting estimates informed the 2004 planners:

- Overall, the positive traction among audiences in the spot markets across a brand range of image metrics, combined with predictive analysis, reinforced the merit in continued support for the campaign (in fact to roll it out nationally) in order to consolidate the positive image gains and to continue to affect long-term brand associations.
- These results influenced the decision to roll out the "Realizing Potential" campaign globally.
- In order to build on success, a commitment to continued research was made, including the necessary international messaging and advertising development research needed to inform a new global campaign strategy and execution.

Using an extensive, phased research process, Microsoft was able to take a nascent, but powerful, idea and turn it into a highly successful campaign. During the course of advertising development and execution, Microsoft itself was realizing their own potential supported by the use of insight and intelligence that was data-driven and mapped to the challenges, objectives, and goals of the corporation.

Part 2

Great Research Is a Hidden Asset

7

The David Ogilvy Research Excellence Awards Program

INTRODUCTION

The David Ogilvy Research Excellence Awards program grew out of the enthusiasm for research exemplified by David Ogilvy, and was supported by his name and legacy. At each annual awards show, held in conjunction with the Advertising Research Foundation's annual conference in New York, a video of David Ogilvy made near his death is shown to remind the audience of his passionate concern for the industry as well as his strong conviction about the value of research in creating effective advertising. The video remains remarkably contemporary, sustaining a timeless philosophy and the principles of a highly successful individual.

In this chapter, we present a brief snapshot of the body of case histories that have been collected since 1994, and look at the criteria for determining the winners. Then we unpack the dimensions of success that the Ogilvy Award Winners seem to share, closing with a brief review of the broad range of market research tools and techniques that have been used and are described in this book.

SNAPSHOT OF THE OGILVY AWARDS PROGRAM

Each year, in the spirit of David Ogilvy's legacy, the Advertising Research Foundation recognizes advertisers, agencies, and research companies who use innovative advertising research techniques and methods to demonstrate contributions to outstanding advertising campaigns. Of all the many advertising awards programs that exist, only the "Ogilvies" celebrate the role of research in delivering advertising return on investment.

Established in 1993, with the first awards given in 1994, the David Ogilvy Awards are among the most sought-after and respected awards for results-oriented research in advertising in the industry. In recent years, due to unprecedented interest, the awards have been expanded to encompass the following industry categories.

- Services, Retail, and Media
- Considered Purchases
- Packaged Goods
- Business-to-Business

Tracing back to its origins, hundreds of submissions have yielded 94 finalists (as of 2006). The breakdown of all case studies, by category, in the collection is depicted in Figure 7.1.

The types of submissions, in terms of problems or challenges addressed in the case studies, fall naturally into four categories:

- Revitalizing a brand
- Strengthening brand image/stimulating awareness/usage
- Combating intense brand competition/clutter or competitive threat
- Special: ethnic segments; improved targeting; Internet/e-commerce

Figure 7.2 presents a detailed breakdown of the categories and subcategories of problems addressed in the case study collection.

CRITERIA FOR JUDGING THE CASE SUBMISSIONS

After all the case study submissions are gathered to deadline in the fall, initial judging is done by a diverse set of industry professionals and academics. After the first round, a smaller set of finalists is sent on to a smaller (grand) judging committee who inspect and rate the contribution of research to advertising success demonstrated in the case study write-ups.

Each case history is rated on an absolute scale, rather than relative to the other cases. The most critical element in determining a finalist case is that it offers a compelling "Demonstration of Success" of the campaign. Over time it has been noted that the "Guiding Media Exposure" element in the submitted cases is not given as much coverage as the others, although there have been a few notable exceptions. Overall, however, judges are rating the contribution of research in effectively guiding or contributing to:

1. Strategy Development
2. Executional Development and Refinement
3. Guiding Media Exposure
4. Demonstration of Success

The awards program event itself is celebrated at a famous Manhattan eatery in the grand manner that Ogilvy would have appreciated. A set of custom-made videos created by finalists and winners of the awards are produced to further encapsulate and present the stories about advertising

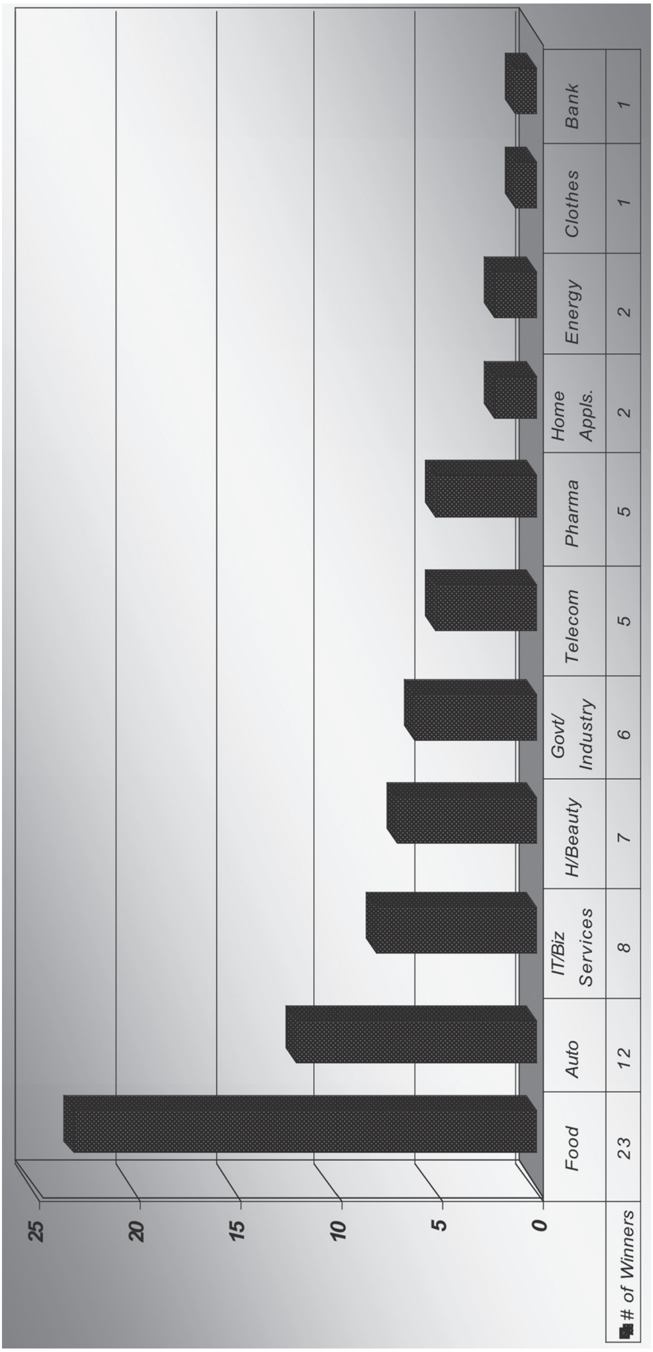

FIGURE 7.1 Ogilvy winners by industry, 1994–2004

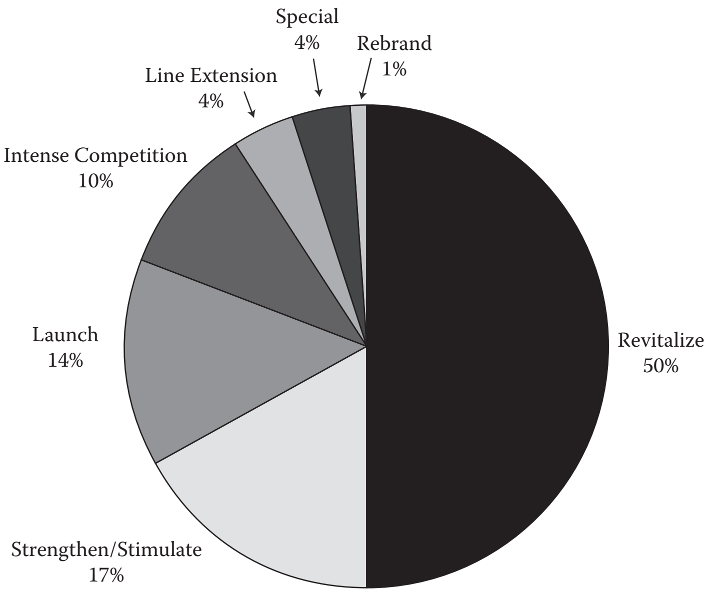

FIGURE 7.2 Ogilvy winners, primary challenges addressed, 1994–2004.

excellence, and are viewed for the first time at the awards event. A CD of the David Ogilvy Award winners can be purchased from The Advertising Research Foundation.

A FRAMEWORK FOR UNDERSTANDING SUCCESS

In studying a large collection of empirical material, such as the Ogilvy Award cases, it is helpful to establish a scaffold on which to hang the important elements for inspection. A logical first dimension is suggested by the submission guidelines for the awards shown above, and termed the *process dimension*. This essential structure dictates how the story should be told. It is based on a general framework of how advertising is done; with the submission's team (client and agency) focusing on extracting and highlighting the contribution of market research to success at each step, as well as how the research team, client, media, and other partners worked together to achieve it.

DISTINGUISHING CHARACTERISTICS

What are the distinguishing characteristics of the Ogilvy Award Winners (OAWs)? What traits and attributes do they possess that form the core of their winning efforts? How have they expanded the horizon of advertising effectiveness and research-driven decision-making? How do they exemplify the modern ideal of data collection, information synthesis, and knowledge extraction?

Rather than produce a static descriptive analysis of all of the 94 Ogilvy Award finalists, we have chosen to boil down the context, attributes, and characteristics of the winning efforts and paint a more subjective overall portrait of the winners. Based on an exhaustive reading, synthesis, and analysis of all of the award-winning finalists, including personal interviews with many of the participants, we extracted three dimensions that frame their successful efforts. At the most general level, the Ogilvy winners have—in some sense—perfected a traditional approach, but also are bellwethers for newer, more innovative process approaches.

There are three dimensions at work:

- The process or structure of an accepted way to do advertising
- The influence of the context on the challenge, problem, or issue
- The traits or characteristics displayed by the organizations and teams working together to solve a problem

Dimension 1 is the process (or structure) that bounds an accepted way to do advertising. Simply put, it is based on the Ogilvy Award form that asks applicants to elucidate how research helped them:

- Identify and frame the essential business question or challenge
- Shape strategy
- Develop and test executions
- Guide campaigns
- Evaluate campaigns (and close the loop by reporting success metrics)

Of most importance in this dimension is what forms/types of research are used at each touch point of the process to achieve success. We saw numerous research techniques, methods, and tools detailed in the case study chapters. Repeatedly, we saw that it is not the efficacy of a single research magic bullet that ensures success, but a synergistic effect caused by logical, creative, and sometimes clever combinations of research methods and techniques fitted extraordinarily well to the process, challenge, strategy, and objectives that makes a difference.

Context

We discussed throughout this book the importance of context in terms of its impact on how to approach challenges and make strategic, tactical, and research decisions. Dimension 2 traces and extends the concept of context to its influence on the advertising story. Context surrounds, influences, and gives deeper meaning to the approaches of the OAWs. In reality, there are a limited number of advertising problems we would expect to see and that are addressed in the Ogilvy case study collection. However, particularly in more recent years of the program, new challenges emerged where significant fundamental problems had to be identified, tackled, and solved using market research as a guiding force. Thus, Dimension 2 comprises how a company

- Faces and solves a significant brand or communications problem
- Repositions a brand or clarifies its essence
- Introduces a new product, category, or a new line extension
- Revitalizes a brand

A number of recent OAWs exhibited creative approaches to address key situational/contextual issues that contributed to their distinct success. This success is found at the nexus of proactive application of resources and expertise (what OAWs do to achieve success) and the context of their situation. These contexts include:

- Addressing disequilibrium at key defining moments in the organization's life
- Customer-centric breakthroughs (the Aha! moment) to reposition or revitalize a brand
- Deep-dive customer research to introduce a new product or category (or successfully launch a new line extension)
- Extensive customer measurement to define new customer segments (often pilot or preliminary work to assess payoff before a complete commitment is made to go forward)

DEFINING MOMENTS: ADDRESSING DISEQUILIBRIUM

Defining moments are perhaps the advertising industry's most common example of what Schein terms "disequilibrium."[1] In organizational psychology, change is most apt to be motivated at a time in the organization when things have gotten off balance. Sales may be down. Or high standards of customer service quality may have deteriorated. And sometimes the very essence of the company is questioned.

In short, there are numerous external factors threatening stability and traditional success paths the organization may have enjoyed in the past. Internally, there is a sensed lack of alignment and focus that formerly provided predictability and meaning to the organization and its efforts.

The results of this phenomenon cause organizational "disequilibrium" (Schein's term), for example, a loss of control, meaning, and security. When leaders of the group note this and can confirm that a breakdown is happening (or underway), it becomes possible, at this defining moment in the organization's life, to unfreeze the company and make concerted strategic, data-driven, and monumental change. From the point of view of leadership, this is a time to connect the pivotal moment to important goals and ideals of the company (we can overcome this challenge), acknowledge that issues/problems exist (and that they are causing organizational anxiety and guilt), and take steps to sustain a safety net for change (move to a better place).

In some of the OAW cases, a situation emerged (either quickly or over time) that became a powerful motivator for the company to tackle a big tough problem. With this challenge came an opportunity to deploy market research as a key supporting facet of change. In some cases, this required pulling together disparate groups of people in the organization and starting by questioning the very essence of the company. In others, it was exemplified by a rallying around the flagpost to advance the common organizational good. Examples abound and were detailed in the case study chapters, including:

- Microsoft internalizing negative perceptions of the company, using this as an opportunity (as opposed to viewing it as a problem), and completely rethinking the way they do advertising
- IBM reversing a significant decline of a disaggregated business into a highly integrated, focused vision and brand
- Lexus and Team One working together to dispel the used-car syndrome and literally creating a new category of car buying
- Duracell (Gillette, now part of P&G) reversing an unprecedented negative trend in the bottom line, and a challenge to advertising wear-out in their category

A Qualitative and Quantitative Research Toolbox

OAWs realize that understanding the customer is key to success (also a key Ogilvy principle), and take the steps to do so. Customer centricity is natural to advertisers; CRM stole it. The research arsenal to address customer-centricity includes:

- Qualitative and quantitative methodologies used individually and in combination
- Multidimensional (multivariate) analysis
- Methods that address key measurement needs in the advertising strategy, planning, execution, and evaluation process

A unique facet of OAWs is their sustained usage of a wide variety of research techniques and methods. Winners tend to look at the issues, challenges, and objectives at hand as defining the use of proper research tools at appropriate points in the advertising process. In line with this tendency is a focus on gathering converging evidence for decisions, for example, using a variety of techniques to build confirming facts, intelligence, and results to support the best possible decisions. Although some critics of research point to the danger of analysis paralysis, the OAWs appear to have circumvented that problem, focusing instead on the customer, the process, and a balanced approach to the use of research as an insight generator and decision-making tool.

Thus, to review, we saw in the case studies a broad range of qualitative techniques, some borrowed from the field of anthropology, that were used to garner a holistic understanding of consumers. The subtle shadings of personality, habit, attitudes, and behavior these techniques were able to uncover drove a deeper level of insight than is normally the case.

On the quantitative side, the cases exhibited creative ways that assessment can be married with qualitative insights to validate or provide more confidence for an observation or decision. In addition, there was no shying away from the use of sophisticated multivariate statistical techniques to predict volume and share and to help determine an optimal mix of traditional channels. What is key is that these techniques were used to support the objective of solving the business problem, and not as ends in themselves.

In the final analysis, the critical point is the ability of the winners to look at advertising as a process and blend in the research techniques needed at appropriate points to build a deep and rich understanding of what customers think, feel, and do. This supported their desire to come up with the best solutions to the problems at hand, and the techniques to evaluate whether indeed they had been successful.

Renovating Traditional Approaches

The OAWs' case histories are not always about innovation, but sometimes renovation: ways to renew, reinvigorate, or revive traditional approaches. Although the traditional funnel approach to advertising was evident (and perfected) by many of our Consumer Package Goods winners, there also emerged a process that turned the funnel on its head. Examples included:

- Microsoft: Studying, defining, and leveraging their core essence: who they are, what they stand for, and why customers use them
- Bissell: A unique process approach based on close collaboration and partnership with Campbell-Ewald, their lead agency, to break out of a stale category tradition of advertising
- Lexus and Team One: An evolutionary research process involving new media and nontraditional campaigns that broke through to the creation of a new car category: Certified Pre-Owned cars

We've explored and discussed the traits and differential contextual impacts that the OAWs face: their distinguishing features and their essential and necessary characteristics. Now we turn to the inherent and critical qualities behind the success we see in the case study reports themselves: the nature of the work behind these award-winning efforts.

Dimension 3 traces the key attributes of the OAWs, for example, qualitative aspects that can be observed in the case study reports, and serve to differentiate the finalists and winners from the pack. Essentially, these strategic fundamentals contributed to, and guided the winners toward, success. These include:

- Creativity
- Discipline
- A holistic/integrated approach
- A technical/analytical orientation
- Boldness

Perhaps to no one's surprise, the distinguishing attributes of Ogilvy Award Winners are not that different from other high-achieving individuals or high-performance teams in sports, education, or the arts.[2]

Creativity

Perhaps the most distinctive trait is creativity; more precisely, the ability to think in new ways about advertising. Team One, as we saw, used a creative approach that literally turned their strategic thinking upside-down in reference to defining and tackling a market for pre-owned Lexus automobiles, and it was informed largely by research.

Creativity also suggests remaining open to respond to sudden insights—so-called Aha! moments—and not being afraid to make the most of them. Crest Whitestrips, Duracell batteries, and IBM did precisely that by using a variety of qualitative approaches that uncovered a powerful new dimension of their product or services. Finally, creativity is demonstrated through the discovery and use of new ways to approach difficult problems.

Discipline

OAWs are under all of the same pressures and constraints as other companies. How they respond to the tension between real limitations (time, resources, and money) and a desire to stay focused on the customer seems to charge their creative battery, rather than run it down. This tendency, coupled with common sense, helps move things along efficiently.

Discipline has many levels of meaning. The OAWs exemplify it in the sense of imposing order, such as working from basic models of communication effectiveness (e.g., WirthlinWorldwide, exemplified by founder Dick Wirthlin's principles forged in the crucible of politics and opinion research), knowing or learning when to make tradeoffs, when to stop, or when to proceed. Discipline undergirds planning, but it also includes an element of self-control; as one OAW participant said, "Following the plan we all agreed upon."[3]

This trait of discipline, oddly enough, also sustains the flexibility and openness needed to capitalize on the serendipity of discovery; creativity, motivation, and discipline can go hand in hand. As we saw in the case study chapters, a balance is needed. For a nonmarketing example, musicians and other performance artists discipline (train) their heads and hands (body) so that their hearts can take over. The same can be said of a creative process such as advertising.

Holistic/Integrated

Discipline and thoroughness alone, however, are not enough. A common feature of OAWs is that they consistently strive to synthesize and integrate information and knowledge. Sometimes this is part of a strategic process model they use, as, for example, Bissell's use of the Campbell-Ewald fusion method. But other times, it appears to be more of an unconscious template (or one that is culturally determined and supported, such as P&G and Kraft's well-ingrained traditions of marketing science and research) running underneath the entire advertising creation, planning, and evaluation process.

In short, it appears that the OAWs are acutely conscious of the fact that they are dealing with whole customers; this customer-centric focus provides the grease for the integration wheel.

Technical/Analytical Orientation

OAWs are insistent on a multidimensional approach. To address the varieties of contextual and problem states they face, they realize that no stone can be left unturned. This means preparing and studying through multiple lenses: strategic, tactical, analytic, evaluative, and common sense. To the OAWs, *strategic* means full-blown planning of what needs to be accomplished.

Tactical means laying out the guns for the battle, for example, the process of carrying out the strategy in specific detail. *Analytic* connotes a rich deep mixture of qualitative and quantitative usage, a broad toolbox of research techniques and methods turned to for proper application to the tasks.

Evaluative means closing the loop, determining in the process where, when, and how success will be reached. It is at this stage that even some of our case winners fall short. Perhaps because marketing and advertising are such dynamic forward-looking areas, the evaluative facet is often shortchanged. Also compromising us here are the traditional short of sales measures that marketers have accepted in lieu of actually measuring bottom line sales impacts.

Finally, *common sense* applies the "so what" test: "Is this important?" (given all that we tacitly and practically know). A dose here goes a long way, and is actually related to discipline, or ways to control costs or work effectively under constraints. Very important, but often misunderstood, this is not a conceptual element we would expect to see in academic research and studies about marketing, but is quite relevant in an applied setting in the real world.

Boldness

A key personality characteristic of OAWs is their ability to embrace BHAGs: Big Hairy Audacious Goals, as defined by Jim Collins.[4] Their challenges demanded showing or requiring a fearless daring spirit to address or achieve their objectives. Although not every case study exudes this characteristic, it is evident in a number of them, and they are discussed in our chapters featuring Microsoft, Crest Whitestrips, and the agency, Team One's work with Lexus.

THE OGILVY AWARD WINNERS: BROADER FRAMES AND HOLISTIC VIEWS ARE EMERGING

Organizational psychologists, anthropologists, and other social scientists have broadly defined and presented hierarchical levels (models) of human experience that they purport drive human behaviors.[5] Most of these behaviors, including those found in myth and religion, have an inner–outer or a visible–hidden, structure.[6] In fact, the roots of marketing intelligence can be found in the psychological subdisciplines of motivation and personality. From this fertile ground, for example, psychographics emerged. Built around the measurement and understanding of personality traits, personal values, and customers' lifestyle, psychographics continue to provide target marketers with a way to develop aggregate portrayals of customer motivation, preference, and intention.[7]

Recently, CRM experts and vendors assured executives that building profitable relationships using behavioral data collected at key customer contact points was at hand. Yet, research has shown us that preference, values, and intentions are more stable than purchase behaviors because they are less influenced by the temporary effects of the purchase environment.[8]

Indeed, research suggests that values are the most stable drivers of behavior and most closely related to why people buy things.[9] Yet millions of dollars have been spent on an empty promise that software, alone, could not deliver.

In order to address criteria for effective and profitable marketing actions, neither academics nor practitioners, nor software vendors nor marketing scientists, can act alone. Zaltman offers even broader advice he calls "crowbars for creative thinking," looking under the surface to explore and discover how customers think and how clients, vendors, and business partners can co-create solutions.[10] It is clear that a framework that addresses the full range of data and information available about the customer would enable deeper, richer, and more creative analysis and thinking. This was certainly evident in the case study chapters we've just presented. And, consistent with Zaltman's urgings to look outside confining and habitual paradigms, such frames would need to take into account multiple levels of customer and marketing intelligence, how we think, and why we do what we do.

It is important to recognize that behavior is not a phenomenon that lives in isolation. It is the product of many interrelated elements that influence the processing of information. These mechanisms can be usefully studied on a variety of descriptive and explanatory levels. Yet, as marketers, we often put forth behavioral measurement as the only "true" measure.

However, consider this: neuroscientists describe the brain on a physical level as the interaction of neurons, hormones, neurotransmitters, and other organic elements. In contrast, cognitive psychologists study the brain as an information-processing system: that is, as a collection of programs that process information, without reference to the exact neurophysiological processes that perform these tasks. A cognitive description specifies what kinds of information the mechanism takes as input, what procedures it uses to transform that information, what kinds of data structures (representations, signs, symbols, images, memory traces) those procedures operate on, and what kinds of representations or behaviors it generates as output. The study of cognition is the study of how humans process information.[11]

Although this cognitive perspective is vitally important, the emotional perspective cannot be overlooked. We saw this repeatedly in the case study chapters. Thus, to frame more completely the scope of marketing intelligence, we suggest that at least seven dimensions are at work. These include:

- Frame 1: Behavior—active, passive; what we observe
- Frame 2: Common Sense—the logical, accepted truth
- Frame 3: Social—community (group, including guerilla marketing) and demographic (socioeconomic) influences
- Frame 4: Political—the influence of power/charisma

- Frame 5: Psychological—why we behave: motivation, attitude, feelings, emotion
- Frame 6: Artistic/Creative—Nonlogical, how we deal with, express, and explain cultural/behavioral/psychological pressures and inconsistencies
- Frame 7: Cultural/Symbolic—deep, hidden assumptions, values, and needs; for the most part unconscious

In practice, automated marketing systems, traditional ad testing, and direct marketing procedures tend to focus on Frames 1 to 4. Nearly all of their activity is spent on capturing and analyzing the information found in these levels. Yet, for most other forms of advertising, Frames 5 through 7 are much more important, for these are concerned with understanding, explaining, and predicting the "why" of customer behavior.

What we desperately seek when applying market research to advertising is to rebalance the external/observable we can best see and measure and the internal/hidden that is actually contributing the most powerful insights to customer understanding and what drives behavior. Most marketers reduce this to emotional and functional dimensions, but there is a danger in oversimplifying.[12] Ultimately, with this information, advertisers can address the strategic marketing criteria that sustain a greater likelihood of driving effective and profitable actions.

Many advertising research approaches we have reviewed in this book touch heavily on Frames 5 through 7. Unfortunately, such powerful information rarely reaches beyond the walls of the advertising department. In addition, companies tend to use such measurement in a tactical or proscribed way. The point is, the very important information that market researchers collect and analyze contributes immensely to the understanding of customers and to the prediction of customer behaviors. And, this is precisely what the OAWs achieved: a process, an approach, or a system that captured and exploited the full range of marketing intelligence, including the very valuable explorations and learnings needed to gain customer insight that supported successful advertising and profitable outcomes.

The Ogilvy Award case studies are evidence of this understanding and of doing an outstanding job of applying research to drive business growth and, thus, realize advertising success. The end result is a powerful strategic decision-making capability, not too different from what Percival White advanced over 80 years ago in one of the first books written about the emerging science of market research.[13] We are still learning.

8

Research Methods, Techniques, and Approaches Are Put to the Test

ART MEETS SCIENCE: THE CHALLENGE OF MEASURING THE IMPACT OF MARKETING

It's a question as old as business itself: How can an organization be sure it is spending the right amount of money on the right kind of advertising and marketing so that it can successfully affect and influence behavior and attitudes, and ultimately, sales?

To be sure, some marketers, especially those from data-rich firms focused solely on direct marketing, are able, in a stimulus-response fashion, to determine how responsive consumers are to an individual coupon or price reduction. However, things are not that simple anymore, as our case study examples showed. More than ever, the marketing discipline is art informed by science: most organizations still spend vast amounts of money trying to create awareness, shift attitudes, or influence behavior and adoption of new products and services without knowing precisely the relationship between costs and effects.

In the not too distant past, many marketing executives probably felt that they had little choice but to throw money at the wall and hope that at least some of it would stick. That kind of thinking, however, is rapidly disappearing. These days, business leaders, chief marketing officers, and the people who work with them are under increased pressure to make marketing more a quantifiable science and less an ephemeral "black art." Numbers-driven corporate leaders demand to know how efficiently their marketing dollars are being spent. New legislation is looming that will demand that marketers and advertisers show they are accountable.[1] In response, marketing accountability is emerging as a central issue that marketing and communications professionals must address. This pain point is causing much soul searching and motivating action to find ways to enable them to better understand how they can spend their dollars to attain greater return on their marketing investments.

MARKETING OPTIMIZATION AND ACCOUNTABILITY DEMAND BETTER TOOLS AND METHODS

Traditionally, companies relied in large measure on anecdotal evidence, marketer's experience, and rudimentary tools to develop marketing strategies and tactics, implement them, and assess their effectiveness. It was accepted that marketing cost money, an unavoidable reality. Today, marketing science is introducing sophisticated measurement methods and statistical techniques to analyze and quantify marketing spending and return on investment. But attaining a return on investment of marketing requires more than a statistical tool; it requires a method that uses a variety of research, analytic, and measurement techniques at appropriate points in the process of optimizing marketing activities, and then the ability to execute based on the results.

It is important to keep in mind that what we do from the measurement side should not attempt to eliminate the art of marketing; that would be counterproductive, because creativity is essential to effective advertising and communication. Rather, its goal is to bring analysis to bear on facets that in the past were rarely assessed or measured. Within the marketing discipline, this approach can be applied across the entire spectrum of the marketing and communication process to drive accountability and optimize effective actions.

There are a number of ways to do this. For example, a growing proportion of marketers is very interested in using their detailed marketing databases to infer the unique contribution to sales of disparate marketing factors. But relatively few are actually deploying or successfully using the complex, and often expensive, statistical modeling techniques that are being promoted today, due to poor data quality, integration costs and concerns, and spotty, less than relevant, results.

But other quantitative marketing measurement, assessment, and planning methods have evolved (some with generative bloodlines from the fields of agriculture, operations, psychology, and education[2]), and the demand for them is growing. Complex statistical modeling has a role, as we show, in looking at the big picture of marketing's impact. However, marketers also need to be able to look at the effect of their creative efforts at the campaign (or even individual) level, across all media and communication channels, and sometimes across many brands or services.

The ability to tease out the incremental effects of increasingly complex efforts to shift attitudes and behavior, and drive sales, is being accomplished with methods and techniques we describe in the following. This exploration uncovers an exciting, and much needed, facet of the solution: how to measure and optimize the impact of marketing efforts, particularly the emerging dominant form, for example, integrated marketing communications, which are increasingly diversifying to include new media and new channels.

PUTTING THE MICROSCOPE ON MULTIPLE MODES OF MEDIA AND MARKETING

Integrated Marketing Communication (IMC) is beyond being a "nice-to-have."[3] It is a requirement in many companies around the world. IMC principles and practices are used by organizations to exploit the multiple modes of media and communications now available and necessary to effectively reach customers. Its value is found in enhancing the likelihood of achieving the efficiency and effectiveness of marketing communications objectives. And it encompasses three desirable elements:

- *Doing things more cheaply:* Simple efficiency gains can occur when media are combined to better reach an audience or customer at a lower cost than can be obtained with any single medium. Usually, the objective of each medium is the same, such as building brand awareness, salience, or resonance, but the style, contribution, and effect may be different. All must be measured to assess impact.
- *Matching the media to the audience:* Media suitability is the assignment of the communications channel most appropriate to attain the overall marketing objective. This activity is very dependent on a complex relationship among creativity, practicality, reach/frequency delivery, and assessment of impact. This is also the area where deep-dive measurement methods are beginning to appear. For example, The Advertising Research Foundation's *Online Playbook* presents early learnings in this arena based on case studies of sponsored pilot efforts.[4]
- *Creating and exploiting synergy* refers to cross-media strategies and planning that effectively integrate media, modes, and messaging tactics. Examples of this include:
  - A software company linked TV, radio, print, and Web site ads underneath a common umbrella of sight, sound, feel, and message to drive home the impact of their understanding of what the customer values about them.
  - A Fortune 50 firm built a sophisticated, multidimensional, and multibrand campaign around a popular TV show. The ability to tease out and measure the image shifts, incremental dollar gains, and holistic effects of this campaign's elements, including the creative, is vital to the organization and has answered one of their long-standing objectives.

Taken together, these three elements of IMC frame the parameters by which marketers can become accountable: plainly stated, increase their marketing effectiveness and efficiency by creating synergy. But it is important to understand that accountability is achieved by three things: understanding what unique factors are contributing to effective outcomes or interactions, assessing the differential impact of each, and determining how that correlates to an incremental measure of return on marketing dollars invested. This requires the tools, techniques, methods, and approaches of research and measurement to be used consciously, credibly, and correctly.

UNDERSTANDING MARKETING'S IMPACT

Most would agree that the primary goal of marketing and advertising is to attract attention, persuade through rational and emotional means, and to sell something (influence and change behavior). The ad industry even has a name for this most general model of advertising: AIDA (Awareness, Interest, Desire, Action). The wise marketer recognizes that the marketing battle is not just for the pocketbook; it is for the heart and mind of the consumer. Getting a consumer to hold your brand top of mind, to associate it with positive images, and to develop a strong motivation to respond and remain loyal: these communications and relationship objectives, coupled with profitable sales, provide unparalleled competitive advantage.

So how are organizations today measuring the impact of marketing on changing attitudes, behaviors, or the bottom line? Figure 8.1 depicts the four primary types of measurement that are used in marketing and advertising. The features making up these types sometimes overlap, or may appear somewhat arbitrary, however, the distinctions are useful for framing the strengths and weaknesses of a wide variety of methods, tools, and techniques being used to measure the impact of marketing:

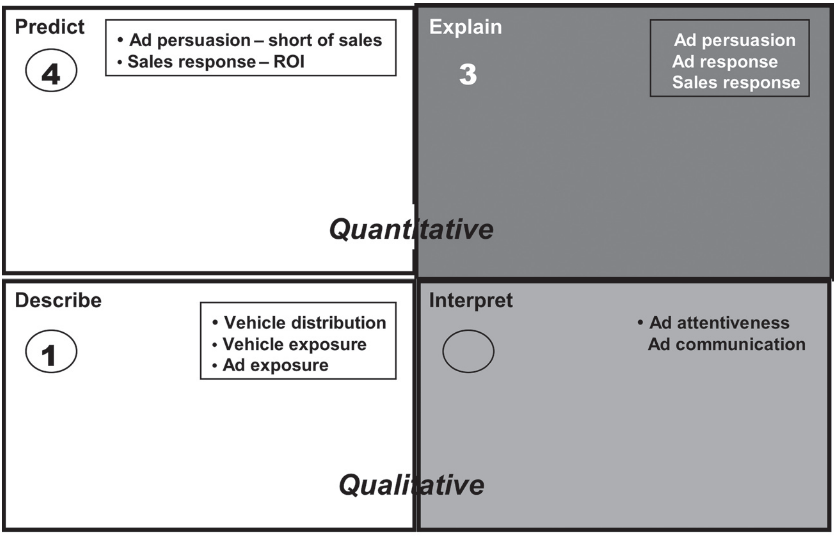

FIGURE 8.1 Measurement map.

- *Description:* The most basic forms of measurement take place at this level. Descriptive advertising and media tools are sometimes used erroneously to predict sales or short of sales behavior. As we show in the following, this is not only unwise, but can be a serious waste of money.
- *Interpretation:* The next level of research seeks to interpret basic measurement and observations of customer tendencies, intent, or behavior. Much of marketing research's work is done here, and, more often than not, results-to-action are weakly presented, sometimes based on experience, intuition, or pure guessing. Also included here would be basic in-market tests, which are potentially valuable, but are often overlooked or ignored because of the expense associated with them.
- *Exploration/Explanation:* The third level is the least used, in general, by marketers, yet is the most dynamic, actionable, and understandable guide to the assessment and evaluation of the drivers of marketing's impact. Test and control procedures used in measuring marketing Return on Investment (ROI) allow for an understanding of the interactive effects of complex multichannel marketing and communications programs while also linking the results of a campaign to the incremental dollars generated by that program. The outcomes of this method encompass description, interpretation, and explanation and, indeed, feed the next level, which is prediction.
- *Prediction:* The final level, prediction, is the ultimate goal of many marketers. As mentioned, the scientific method is a generative force for this level. For example, marketing ROI methods that use experimental design focus on gathering converging evidence for the success or failure of a marketing campaign, while also discriminating between success and failure factors. The final goal is construct validation, which is also an outcome of prediction. Note that this is an empirical method, as opposed to a class of techniques called econometric modeling, which attempts to discern and evaluate a picture of reality based on past history and data on product, price, promotion, and purchase.[5] Although valuable in their own right for overall marketing planning and "what-if" decision making, econometric models are not a substitute for direct grounded testing and evaluation of what marketers do on a daily basis: create, plan, and manage marketing and communications campaigns. Rather they should be used in tandem.

The Measurement Map

The measurement map (Figure 8.1) distinguishes between subjective descriptive effects, and objective explanatory effects. Much of traditional marketing research has focused on describing and subjectively interpreting the impact of marketing (particularly media) communications. Thus, any linkage from here to accountability measures is more or less based on a leap of faith.

Interestingly, all of this activity is occurring as recent advances in database technology, CRM, and data-warehousing techniques have amassed huge collections of behavioral data that lie unconnected to the more experience-based, subjective quadrants presented in our framework. Relatively few (although this is slowly changing) firms are exhibiting the desire or the ability to merge the valuable what, why, and how much impact of marketing with these data stores. Yet, here is where many untapped insights and relevant guidance toward improved accountability can be found.

There are numerous reasons for this phenomenon beyond the scope of this book. Suffice it to say, we use the measurement framework to illustrate the roadmap of measurement applications and, from that, extrapolate the strengths and weaknesses of each.

KEY VARIABLES THAT INFLUENCE MARKETING'S IMPACT AND ROI

A hierarchy of influences corresponds with the levels of measurement as presented in the measurement framework. These are explicated below and based on a model that was developed as a framework for measurement by the ARF.[6]

The first set of influences involves counting distribution of, or exposure to, advertising without any reference to the impact of creative elements, message content, or persuasive strategies.

Vehicle distribution is a count of physical units through which advertising is distributed. It is a media-only effect. Current measurement techniques include newspaper and magazine circulation studies, TV and radio tune-in studies, online-media page requests, and billboard locations. *Vehicle exposure* is a count of the people exposed to the media vehicle whose eyes or ears are open. It too is a pure media effect. Current measurement techniques include radio and TV people ratings, magazine-readership studies, online media page-view counts, and billboard-traffic counts. Finally, *advertising exposure* is a count of the people exposed to the media vehicle who also are exposed to its advertising. It is the highest level of measurement that is still a mostly pure media effect. Current measurement techniques include radio and TV commercial-audience ratings, print ad page-exposure studies, online ad-view counts, and billboard-traffic counts.

The three advertising and marketing measures in Level 1 are primarily concerned with whether the marketing vehicle delivered what was promised (attentive eyes and ears), but do not address whether such delivery was effective in terms of influencing consumer attitudes or behavior (consumption). Although planning can be done using Gross Ratings Points (GRPs) at Level 1 and Level 2, for example, marketing optimization cannot be based on these metrics because the impact and effect of content (the creative, information, and persuasive messaging) are missing.

Instead, optimization should be based on measuring and evaluating the effect of the creative element—advertising communication and persuasion, advertising/image response, and, where appropriate, sales response itself—the measures most relevant to the actual marketing objectives. Although advertising vehicle delivery is a necessary step in reaching people, it is too remote from the end goal and can produce misleading results.

The remaining measurement levels are populated by variables that require some assessment of the response by the consumer to the advertising. In the case of advertising attentiveness, the response is an internal one, and must be measured by inference. Advertising communication and persuasion are observable, but still rely on survey data and inferential analysis.

Interpretive measures include both advertising attentiveness and advertising communication. *Advertising attentiveness* is the degree to which those exposed to the advertising are aware of it. It is the first measurement level at which the effects of the medium are significantly confounded with the effects of the creative. Current measurements include awareness and attentiveness studies, recall or recognition studies, and brainwave research.

Advertising communication is a measure of the information (rational and emotional) retained by the consumer after exposure to the message. Current measurement techniques include brand image ratings/rankings, copy testing, and advertising (forced) recall studies.

Explanatory, exploratory, and predictive measures provide increasing value and relevance to marketing optimization and accountability. *Advertising persuasion* is a measure of the shift in intentions produced by the advertising communication. Here we are interested in the medium's ability to frame the message in ways that make it more credible, more relevant, and hence more persuasive. Current measurement techniques include advertising effect tracking, copy testing, intent to purchase, and willingness to consider/recommend.

Advertising response refers to measures of consumer response short of sales. Examples include visiting a retailer, calling a toll-free number, clicking on an online ad, visiting a Web site, requesting a brochure, and so on. In direct mail and interactive media, such responses can be measured directly. Current measurement techniques include click-through, post-click-through interaction, lead generation, telephone and mail response, and coupon redemption.

Take-up (sales) response is defined as the purchase or engagement of the advertised product or service in response to the advertising or communications. Of all the measures listed, it is the most relevant to the advertiser or communicator, inasmuch as the result we are after is usually incremental impact. In addition to take-up or service adoption rates, useful measurements include ROI which is the cost savings and incremental value generated by the most efficient/effective combination of advertising and communications. Current measurement techniques fall into one of two classes: basic (empirical) research designs that isolate the impact of marketing elements, and market mix modeling (a backward-looking historical approach).

TOOLS AND TECHNIQUES: NOT THE SAME AS METHODS AND APPROACHES

All marketing measures are concerned with evaluating the efficacy of getting the right message in front of the right people. For years, the traditional way media impact has been measured is advertising delivery ratings. But to evaluate success and the incremental impact of multifaceted campaigns, ratings are inadequate. The objectives today are to drive a response from the consumer in some way—generating branding value or attitudinal shifts, changing behavior, or stimulating sales—and in most cases being able to measure the impact of these activities in tangible outcomes or dollars.

To accomplish this, marketers (consciously or not) make a distinction between tools and methods. *Tools* are defined as statistical or measurement techniques that address one specific aspect of marketing. They are generally applied either directly (as in marketing mix modeling) or by utilizing a tool created by an agency or vendor that automates, standardizes, or packages a technique (or sequence of techniques) that focuses on one objective. Examples of tools to measure the impact of advertising include: packaged ad copy pretesting, packaged brand tracking, and marketing mix modeling.

Just as a tool (such as a hammer) can be very useful for one specific objective (hammering a nail), in the real world of advertising, communications, and marketing, the needs of organizations are much more complex and sophisticated. To continue the metaphor, they require architects, blueprints, and a deep rich understanding of what works. A hammer can be used to build a house, but not to help you create an effective blueprint. *Methods* are process-based approaches that marketers can use to dissect, analyze, plan, and improve the more complex communications activities and impacts that are now common in the marketplace.

Methods use the tools and techniques of marketing science but apply them in a process-based framework to help address a broader range and deeper level of marketing effects or accountability outputs. They are not automated or synthesized models of reality, but are direct measures of what customers are thinking, feeling, and doing. Think of methods as the process an architect uses to plan, guide, and optimize the construction of a new house, a dynamic blueprint, if you will. The attention to process and holistic understanding needed here is more akin to application of the scientific method, rather than a single statistical technique, such as marketing mix modeling.

An important point to keep in mind is that both tools and methods are important to successful marketing and advertising. One does not preclude or replace another. That said, there is an optimal ordering or sequence to get the most value in today's marketing reality and, as we have seen in the preceding case studies in this book, heavily dependent on context. Although it has been the case that tools have overshadowed methods in the advertising and communications world, this is changing rapidly as the complexity, sophistication, and demands on marketing increase. This change in perception suggests that we look at measurement and research approaches from the perspective of marketing strategies, rather than research techniques.

STRENGTHS AND WEAKNESSES OF ADVERTISING EVALUATION APPROACHES

There are currently three major approaches used to evaluate the efficacy of marketing campaigns and to attempt to measure the impact of marketing. In brief:

- A proprietary, prepackaged brand model that is tracked on short of sales variables over time: brand (equity) tracking or monitoring
- An empirical approach: marketing ROI
- A statistical modeling technique: market mix modeling

The table shown in Figure 8.2 compares each of these in relation to what they accomplish, challenges, how they are useful, and comments about efficacy.

Tracking is perhaps the most common method used to assess the health of brands or advertising across time. The number of ways to do this is limited, yet each major market research firm has its own proprietary methodology that it claims is unique. This, coupled with the deceptive use of the word equity in relation to brand, has contributed the most to confusion in this area. Perhaps one of the biggest problems with tracking is that it has evolved more from research techniques, rather than a marketing process perspective and need. That is, the focus has been on accommodating linear or spatial models of how branding works, with no link to sales, or the changing nature of the consumer and marketing/advertising in general.[7]

As we know, the business problem and situation now include a complex media mix (multiple ways to reach the customer and how to best optimize those efforts) and demands for accountability (ROI as an example). Tracking, as it is practiced currently, does not address these new emerging elements.

Heath and Hyder's recent Market Research Society paper[8] is about advertising that works on our emotions without necessarily achieving high levels of attention or recall. They compared the most popular recall-based metric used in tracking studies—claimed ad awareness—against an approach that deduces effectiveness from recognition, and found that

	Marketing ROI	Market Mix Modeling	Ad or Brand Equity Tracking
What It Does	Uses experimental design to capture the rational and emotional impact of creative and communications on the bottom line. Diagnostic results drive marketing improvements supporting optimization efforts.	Sophisticated statistical techniques to assess an artificial or convenience model of the marketing mix, or more commonly, the available databases, usually of aggregate, interval level information (e.g., store level).	Accepted way to assess global changes in brand resonance, awareness and perception, against a baseline measure, over time.
Challenges	Expertise required to create research design, set proper controls, do deep-dive analysis, and evaluate results.	Expensive, requires difficult to find expertise. Not efficient at a campaign level. Models are a synthetic 'picture' of reality, missing the emotional and intangible elements that brands encompass and that drive their power.	Brand equity models are linear or associative, not valid for more typical integrated marketing efforts; no way to determine how brand 'equity' is distributed amongst customer segments; concept of brand 'equity' is slippery.
How It Is Useful	Excellent way to build on the use of pre-tests to generate ROI measures. Can also improve models and brand tracking with data that can generate the ROI link directly.	With the proper data and variables in place, a good way to handle planning and decision support for a wide portfolio of campaigns, brands, or communications.	Tracking really focuses on brand 'resonance,' not a financially grounded equity measure.
Comments	Since this method can capture individual level data in a single source data set, it can be used at the campaign level, regularly, to contribute to prediction, forecasting, CRM, and tracking efforts.	Misused as a 'silver bullet' solution for campaign ROI. Econometric methods can produce misleading results, particularly with marketing efforts that are qualitatively different from historical models, e.g., include new media, online marketing, emotion, etc.	Tracking may be revitalized by using complementary ROI Marketing designs, as 'equity' in the brand sense is not financial, but 'short of sales.'

FIGURE 8.2 Strengths and weaknesses of current tools and methods for measuring marketing impact.

claimed ad awareness seriously underestimates the effectiveness of the advertising tested.

The findings of this paper seriously call into question the value of recall metrics and continuous tracking research. The continuous collection of data in tracking research is needed primarily in order to collect recall-based metrics such as claimed ad awareness, but this type of metric has been shown to provide confusing and misleading findings for advertising with a high emotive content. The Heath and Hyder paper noted that continuous research is unnecessarily costly: the findings derived from the point in time studies presented by the authors were more accurate and informative, and considerably less expensive. Overall, they concluded that methods based upon the periodic measurement and cross-analysis of recognition and brand metrics represent a better future direction for advertising research, because they are uniquely able to evaluate the hidden emotional power of advertising.

Heath and Hyder appear to be on the right track. If one looks at continuous tracking closely (as it has evolved in commercial advertising and marketing tracking systems), it is clear that the method of choice is repeated cross-sectional design, a limited and expensive technique.[9] At its core:

- It uses frequent regular snapshots of comparable samples (weekly, monthly, etc.).
- It cannot be used to tease out differential segment (cohort) variations, due to averaging.
- It makes causal claims suspect.
- It has tried to compensate with a variety of proprietary indices that have been seriously questioned over and over again.

In fact, tracking products have more technical limitations that include: no real basis to claim equity in the sense of financial numbers or sales dollars; few standardized elements (difficult to cross-compare, even across brands within one firm's portfolio, frequently due to customization by research vendors); noninclusion of competitive effects or emotional impact elements; and, finally, no way to determine the distribution of brand equity across a customer set (how different segments resonate differently with the brand).

To accommodate the expensive tracking model, what is lacking is the ability to microscopically explore, understand, and draw insight around the differential effects of brand, channel, media use, and so on. Tracking affords little to no diagnostic guidance, but becomes instead a heart monitor that lets us know that the brand is, indeed, still alive. Missing is the doctor's detailed diagnosis and insight into how we can optimize our brand's health, safety, competitiveness, and response to changing consumer segments, marketing frameworks, and new opportunities.

Marketing ROI uses less well-known experimental, analytical, and research designs to capture the rational and emotional impacts of marketing, advertising, and communication on consumer awareness, perception, feelings, purchase, and ultimately sales.[10] Marketing ROI is less a technique, and more a collection of techniques wrapped up in a method tempered with great validity, based on a scientific approach to determine cause and effect. Survey-based, it avoids the problems of control-test markets: expense and time.

The biggest problem with an empirical approach to marketing evaluation is the lack of familiarity most marketers have with it. Yet, again, beyond pre- and posttests, other disciplines have moved ahead with factorial design techniques, covariance analysis, and clever research design approaches to optimize yields, tease out incremental effects, and make sense of multidimensional processes (Six Sigma, as an example) with great success. Why the marketing industry has lagged is an open question, and one that is being addressed by the ARF and numerous academics.

Marketing ROI employs the principles of experimental design, thus setting a formative benchmark that can be used to build a relevant baseline and tracking system for brand equity (short of sales) and sales impacts. In addition, because it is survey-based to a large representative sample of customers—and builds in control variables to allow for the teasing out of incremental effects on a variety of customer segments and situations—it affords diagnostic information on creative impact, the differential effects of marketing channels, and the ability to discern and diagnose optimal improvements in media, messaging, and creative delivery (alone and in combination). However, the primary benefit is the link to actual sales, an objective that advertisers have long sought, but rarely have seen.

Market Mix Modeling (MMM) encompasses a variety of econometric (statistical regression) techniques that attempt to make sense of a wide disparate set of data that marketers may, or may not, have on hand. Ironically, the attempt here is to build a single-source dataset, which is precisely what the empirical method achieves via large sample survey or panel methodology and by asking the right questions to match the marketing strategy and objectives in relation to unique vertical needs.[11]

With marketing mix modeling, the sources of data available about the consumer are disaggregated, and come in many types, of varying quality, and in many levels. Thus, the difficulty here is to build a complete holistic dataset that can be analyzed to yield nuggets of insight at an aggregate level, while avoiding the ecological fallacy. In reality, the results are often spotty, due to poor databases, poor data quality, and the inability of marketers to access data (say, from CRM systems) that would be useful.

Firms trying to use MMM as a silver bullet solution to marketing accountability, therefore, have to resort to more sophisticated modeling techniques, such as Bayesian shrinkage modeling, which, in effect, estimates and generates synthetic numbers from the data already on hand (using probability estimates).[12] The result is too often a model of reality; a black box far removed from the horizon of the day-to-day marketer and her responsibilities. It is no wonder that modeling has disappointed as a general solution.

Models, indeed, are best used in target and direct marketing scenarios, where behavioral data is abundant and available in one place (or easily aggregated), and in planning and decision support, where portfolios of brands and, literally, thousands of variables need to be studied. But, even here, the lack of the emotional, creative, and intangible elements needed to determine the optimal marketing mix of a campaign has to be taken as a serious deficiency of this technique.

Sidebar G: Shining the Light Inside the Black Box of Econometric Modeling

Smith (1999) has written about how econometric modeling can undervalue advertising benefits.[13] His excellent points, however, represent just the tip of the iceberg. A study of the misuse of regression techniques outside the marketing domain is well documented and can inform our discussion.[14]

Market mix modeling (a.k.a. econometric modeling) was one of the more sophisticated techniques introduced to meet the desire for advertisers and marketers to measure ROI. Borrowed from the field of economics, it was championed by such firms as IRI and ACNielsen in the U.S., who learned about its use in the U.K. The primary demonstration of its effectiveness as a technique was in the Consumer Packaged Good (CPG) arena. Beyond CPG, however, there have been difficulties in applying modeling, per se.

Unfortunately, market mix modeling was oversold as a magic solution to marketer's problems. Although in theory modeling should be able to mimic the complexities of reality, in practice, the limitations of the technique become all too evident. It is frequently misused, and most marketers are not aware of the subtle limitations of the statistical technique.

Operations researchers, among others, were one of the earliest groups to identify the fact that econometric models generally fail to represent business processes, except possibly over a limited range.[15] The major limitations that were identified, and which hold true today, include:

- *Collinearity:* Factors (variables) that affect the impact of advertising are highly interconnected, thus clouding the assessment of "What is causing what."
- *Autocorrelation:* Data from one period may depend on a previous period (note this is also a problem with brand and ad tracking studies). This is another variation of the halo or carryover effect well known to marketers.
- *Simultaneity:* Changes in advertising may take place at the same time as changes in another factor that also affects consumer response and behavior.

Although these appear to be technical conditions, they are common, and can spell disaster to marketers tasked to make important and expensive decisions. When you add the factors of poor data quality and data integration biases (see below), the picture becomes even more dismal.

In a recent (February, 2005) *Journal of Marketing Research*, Editor Dick Wittink (Yale University School of Management and an expert on econometric modeling applied to marketing) laid bare additional weaknesses of econometric (marketing mix) modeling. Here are his primary points:

- Marketing mix models use historical data and actually have a limited ability to forecast. They are most useful for short-term predictions.
- That said, marketers have been trying to use them for long-term forecasting. The problem here is that confounding variables enter during the longer timeframe to obliterate the predictive power
- Specification error is the biggest problem with marketing mix modeling: this simply means that the model is only as good as the variables that go in it. Thus, substantive insights depend greatly on which variables are included. And, the variables that are included are often the ones the client has, not necessarily the "right" variables to arrive at insightful guidance or meaningful adjustments and change.

Specification errors also launch a whole host of additional technical problems, including[16]

- Interaction effects: If they are even considered, they are misleading if the variables in the model are misspecified.
- The treatment of missing data: This has an effect on results, and most marketing databases have plenty of missing data.
- The measurement quality of data: This has a profound effect on results, and the quality is often highly inconsistent.
- The accommodation of *endogeneity*: Endogeneity is a factor internal to the marketing mix model that refers to the fact that an independent variable included in the model is potentially a "choice" variable, and this choice is moderately or highly correlated with other variables not included in the model; sometimes this is called a lurking variable (lurking out of sight but having profound influence on the model). An example: if less able workers are more likely to join a union and therefore receive lower wages (all things being equal), then failure to control for this correlation will yield an estimated union effect on wages that is biased down.
- Allowance for cross-sectional heterogeneity regarding impact: Simply, can we measure and analyze the effect or impact of marketing across segments? There is a differential effect depending on to which loyalty, satisfaction, or demographic segment one belongs. The ability to do this is averaged out by the econometric requirement of interval-level independent variables.

- Avoiding aggregation biases: In building the single source database there are numerous analytic and statistical decision points that can increase bias due to the choice of aggregation levels, transformations of the data to fit a linear model, or the way a proxy metric is calculated.

In sum, Wittink states, "Given data constraints, it is virtually impossible for researchers to accommodate all possible nuances [using econometric modeling]. Thus, we rely on theories and experience to decide which aspects are most critical to include in a model… . Because all models are incomplete representations of reality."[17]

IN SUMMARY

Although we have looked primarily at evaluative approaches to advertising effectiveness, the bottom line is that there is much room for improvement in all forms of market research. Ogilvy Award winners display an admirable use of research, but it is just the beginning. Much work needs to be done at the applied level to find tools, techniques, and methods that can continue to exploit the insight and intelligence inherent in advertising's hidden asset.

9

Where Are We Headed?

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INTRODUCTION

I have had the good fortune to be an occasional judge for the ARF Ogilvy Awards program and the further benefit of being involved in other successful advertising campaigns. There have also been opportunities to witness the development of less successful campaigns. These, too, have been instructive about what is and is not present in a successful advertisement. This chapter provides an opportunity to share a few observations about what does and does not seem to contribute to ads that engage consumers and successfully motivate their purchase behavior. In the interests of space, particular campaigns are not referred to in detail although it is evident from reading earlier chapters that my comments are rooted in the practices found in those exemplar campaigns.

WHAT'S OUT IS AS IMPORTANT AS WHAT'S IN

My favorite definition of a masterpiece is that it includes everything that is essential but nothing that is unessential. I think it is worth beginning this summary chapter with a few thoughts about practices or other ingredients that are not only unessential but are quite absent in the development of the award winners in this book and from other outstanding campaigns. The fact of their absence, I believe, contributes to their success.

Three qualities in particular are missing in successful ads. They all fall under the term "magic." First, there are no magical datasets or knowledge available only to the parties involved in the development of the advertising that competitors could not also obtain had they thought or chosen to do so or applied the same imagination. There is no pretension by award winners to have had received direction through the kind of mystical experience Moses had when receiving the Ten Commandments. In fact, as it turned out, Moses had considerable trouble getting people to pay attention to that information, anyway. So even if the marketing equivalent of such "data" existed it is unlikely to be accorded any more receptivity by clients and agencies than Moses encountered with his followers. This does not mean important data yielding significant insights based on careful reflection or what I call "workable wondering" were not present; to the contrary, they were very much involved. It just did not involve data that was unavailable to competitors had their budgets, time constraints, and most important, their imagination and organizational climate permitted them to capture the information and extract similar value.

Second, as important as research is—and it is essential—successful advertising is not driven by the use of a magical tool. None of the cases in this volume claims to use magical tools. Because imagination in the use of information is so critical it is hard to understand how a magical tool could even exist that would replace thinking. A magical tool would be one that, on its own, like a magic wand, produces, in an unambiguous way, the "right" thing to do without requiring interpretive effort or other thought by any participant to the process. Whenever the "right" thing seems to be clearly dictated by data it is virtually certain the research is the product of a confirmatory bias allowing little if any chance for alternative answers or directions to pursue or from showing up. Or they were the result of a rare piece of luck. In either case, relying on confirmatory research or blind luck is hardly a sound basis on which to wager millions of dollars and even careers, not to mention lost consumer well-being.

The selection of tools is important, of course. But successful campaigns avoid the convenient methodology syndrome where a method the client, research provider, or agency is comfortable with and has skill in using provides the primary source of information. As every method involves a compromise with reality the most successful campaigns minimize their compromises. They identify their most significant knowledge need—what area of ignorance is the source of greatest vulnerability—and then adapt a method or bundle of methods to fit the problem or knowledge need. They do not redefine (i.e., compromise) their knowledge needs to fit a previously selected method.

Third, a certain habit of mind is missing among those developing successful ads that are typically present in the development of less successful advertising. Ogilvy Award winners and finalists seem never to confuse hard work with hard thinking. Working hard is a given. Thinking hard is not. I return to this in more detail shortly.

Finally, none of the Ogilvy Award entrants I have examined or other successful campaigns I have observed closely have ever claimed they were research-free, that they were inspired by minds unfettered by research.

Successful ideas do not arrive by magic any more than babies are delivered by storks. Campaigns do sometimes get developed without research. But they seldom succeed. Typically, when such claims are made about successful ads being research-free and when those cases are examined closely, it turns out that research played a critical role even if only at a tacit level. In the absence of that research-based tacit knowledge, the campaign would likely have been very different and less successful.

There will be some dispute about what the observations above say: that magical data, magical methods, the absence of certain habits of mind, and the presence of magical thinking do not contribute to successful campaigns much less Ogilvy Award winners. It is not uncommon to hear that one or more of these ingredients were central to the success of one or another campaign. Again, when such claims are examined closely they tend to disappear; they are a kind of bravado that hides what really went on. Why such claims are made in the first place is left for the reader to judge.

WHAT NEEDS TO BE IN

Rather than focus only on what researchers, agency personnel, clients, and others claim as a basis for their success I also include what is implied by what they actually seem to do. There is obviously some overlap between espoused and in-practice behaviors but not all the ingredients essential to successful advertising occur with a high degree of deliberateness. Rather, they are often performed tacitly involving implicit processes repeated over and over by people who consistently produce engaging communications. They do not occur by chance but arise from a system of acquired wisdom that produces successful engaging communications. By making them more explicit they are more readily debated, used, adapted, and improved.

THE CO-CREATION OF MEANING

One of the most distinctive features of the human mind is that it is exquisitely designed to make meaning. The meanings created are not always accurate nor always what is intended by the originator of the communication; often they are not. One reason for this is that the human mind is not designed to merely absorb information exactly as it delivered. Despite this rather critical fact, so much advertising is planned on the basis of the incorrect assumption that we can inject meaning into people much as we would deliver a vaccine or engrave a tattoo. If that were the case most social ills would be absent or greatly mitigated and the correlation between advertising exposure and purchase behavior would be consistently high. Best of all, we wouldn't need all the pretesting we do. Certainly there are cases where the mere exposure effect operates.

However, it is a poor bet on which to risk of millions of dollars, personal careers, and a firm's future. The award winners discussed in this book have managed to avoid the injection theory trap and instead leverage the dynamics of co-creation.

Co-creation is the process whereby stimuli from an ad combine with existing frames or mental models to produce a particular meaning. This meaning is jointly authored or co-authored by the consumer and the ad sponsor and thus partly "owned" by the consumer. Although the meanings co-authored by consumers exposed to the same ad may vary, in successful advertising these varied stories will be directionally consistent with the client's goals.[1]

Some elaboration is helpful. Everyone "knows" that advertising (all marketing in fact) is about storytelling. In fact, "storytelling" has become a very popular term in marketing communication circles. The catch is that stories are not really "told" or for that matter "heard" but rather co-authored between speaker and listener. This lies at the heart of a process called conceptual blending.[2] An effective communication presents a set of stimuli that are personally relevant to an audience and therefore engages existing thoughts and feelings. These are thus two domains of information that blend to form a third. One domain is the message content, its execution, and delivery context or medium. The other domain is the consumers' frames of reference, that is, their mental models and deep metaphors. These two domains will partially map onto each other to produce a new or third domain which is the jointly authored set of meanings or story. Effective advertising will involve the kind of stimuli that allow different people to create a meaning that is directionally consistent with the client's goals while also being personally relevant to consumers and having an enduring emotional impact. I believe this is particularly evident in the Microsoft case study chapter, but is also recognizable in all of the chapters to some degree.

Because the resulting communication story is co-created or co-authored it is, as noted earlier, partially owned by the consumers; it is their story too. This is very important. It is not experienced as being implanted or otherwise forced upon the audience. This experience which often accompanies the injection of meaning theory of advertising is one source of resistance to an ad and of distrust of the advertising industry. This does not mean that an ad that fails to engender co-creation cannot score highly on measures of recall, purchase intent, or likeability, especially when responses to these measures are formally solicited.

Properly done, again as evidenced in previous chapters, early stage or developmental advertising can assess the co-creation process taking place, its contents, what particular communication cues are contributing to the story, and whether the emerging story is directionally consistent with the client's goals. This provides a platform for improving ads early in their development. Although not included in this volume there are a number of instances where clients and agencies discovered that consumers were creating an even more relevant and emotionally engaging story than had been planned originally, resulting in a different and better campaign.

WORKABLE WONDERING

Earlier it was argued that successful campaigns are not built on magical datasets, magical methods, or magical thinking. It was also indicated that people having the most consistent success in developing communications never confuse their hard work with hard thinking. Having appropriate data meeting the standards of rigor appropriate to the methods used is important. But just as important is hard thinking or "workable wondering."[3] Workable wondering builds on the use of relevant, rigorous, empirical data and reflected experience to know what existing assumptions need to be challenged and having the courage or willingness to do so. More important still, workable wondering requires the use of disciplined imagination. Disciplined imagination requires the ability and the willingness to picture what is missing from what consumers tell us. Consumers cannot articulate everything that is or could potentially be important to them. Moreover, they may not know what is technically feasible and thus what could be requested. Furthermore, the research methods used or phrasing of the question posed may not allow them to fully explore their deeper thoughts and feelings.

Workable wondering, then, means taking what consumers do say and using it as a springboard for identifying what they would say if they could but which they are either unable to articulate themselves or simply lack the expertise of what is technically feasible. In terms of communications, it means going beyond playing back to consumers their phrases, articulated needs, and likes and dislikes, and providing them with a meaningful communication that is suggested more by what lies between their lines of thought. When a researcher or research user really knows his consumers well by having the right information available, he is able to generate highly plausible answers to questions that were never or perhaps could never be posed to consumers. The resulting advertising and the co-creation it stimulates is like providing a special gift to consumers, one that is meaningful, highly valued, and possibly a gift they would never have suggested themselves. It produces a story they prize because of its personal relevance and enduring emotional impact and because they were allowed to participate in its creation.

The Lexus chapter is a great illustration of this concept at work. Here the agency and the client literally developed a new business category (something that was absent) for car buying that was born out of the co-creation of marketer and consumer. Had Team One not persisted in turning the standard research paradigm on its head, they may have never reached the conclusions or garnered the insights they did. Yet, in a strange way, it is almost as if by trusting the co-creation process to unfold, consumers were freed to lead Lexus and Team One to a marketing solution that was highly creative, unique, and ultimately met the business objective.

Workable wondering is not for the faint of heart. Imagination involves contemplating that which is absent and in advertising as in other matters this can produce anxiety, second guessing, and excessive caution. Ideas generated by workable wondering or disciplined imagination need to be generated, critically examined, and related to reliable empirical data as well as the accumulated but carefully considered experience of agency personnel. However, ideas should not be confused with their roots. Roots allow other things to sprout. That is why data by itself never "says" anything, only people do.[4] Once again, there is no magical tool, no magical data, or data-free magical thinking involved in workable wondering: only hard thinking along with hard work enlightened by relevant data. Workable wondering also requires mutual trust between client and agency personnel. In fact, the working climate within agencies and between agencies and clients is critical in producing workable wondering.

A STRONGER COMMITMENT TO PROCESS RATHER THAN TO OUTCOME

An interesting quality shared by several winners featured in this volume, other Ogilvy Award winners and finalists, and in many other successful campaigns is that key staff always seem far more committed to the process of developing a powerful story than they were committed to acts of defending or sticking to an idea they initially liked. Creating a good idea seems to attract much more energy than does defending a particular idea arrived at early in a campaign's development. This gives participants in the process the freedom to make a satisfactory concept a great one and the freedom to jettison it when an even better alternative surfaces. It involves side-stepping those defensive impulses that lead to premature commitment to an idea and premature dismissal of potentially better ones. This does not mean that strong commitment to an idea is unimportant; it is. The real issue is whether that commitment occurs prematurely. This important dimension of workable wondering—the willingness to continue to play with, improve, and even abandon an idea—is influenced greatly by organizational climate. In short, campaigns with high-quality outcomes tend to be embedded in a collaborative culture among clients, agencies, and researchers that values high-quality processes above everything else.

Perhaps no better example occurs in the book than the chapter on Bissell. The remarkable confluence of the Bissell culture and Campbell-Ewald's unique data-driven process approach resulted in a startling change in the way the vacuum cleaner industry approaches advertising. It was driven by insight after insight fought for inch by inch. It involved playing with, improving, questioning, and even abandoning ideas. And it involved risk. The fact that Mark Bissell, the CEO and chairman of the company, supported the importance of what was essentially workable wondering is solid evidence that this collaboration really works. And the bottom line result was an unheard-of increase in sales that surprised everyone in the company.

THE TIMING OF EXPLORATORY VERSUS CONFIRMATORY RESEARCH

The premature dismissal of critique noted above is one of workable wondering's major enemies. In market research generally, and advertising research in particular, there is a marked tendency to conduct confirmatory rather than exploratory research. It is now well documented that a significant majority of all market research is designed to show (confirm) that a particular idea is a sound one rather than to identify what other sound ideas might exist (exploration). According to Professor Rohit Deshpande at the Harvard Business School, possibly as much as 80% of all market research is confirmatory. Worse still, seemingly exploratory work is conducted within the confines of limited alternatives, often with design biases that favor a particular outcome. This is readily evident in what questions are and are not posed and in the way those that are asked are framed in surveys, focus groups, or direct interviews. Again, award winners seem to avoid confirmatory bias early in the development of concepts and in the preliminary evaluations of particular executions. We only need to harken back to Dick Wirthlin in the SteelAlliance chapter: "Persuade by reason; motivate through emotion." What his guiding principle tells us is, "Allow for the freedom to fully explore the rational and emotional elements that drive people before you make premature (usually superficial or artificial) decisions." Dick got it.

Personnel at both client and agencies that avoid the problems I have discussed have very wide comfort zones. They are open to surprises, have the imaginative capacity, and operate in a work environment that allows them to use surprises as creative building blocks for engaging consumers more effectively. They use research on advertising as strategic input for imaginative thinking rather than as score cards. They do not stop when observing that an ad activates emotions but go further to determine what emotions are actually being engaged and whether they are the most appropriate emotions to engage consumers in appropriate acts of co-creation. Now go back and read this book again, this time co-creating with me the essential learnings it contains.

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Appendix

KEN ROMAN

LOOK BEFORE YOU LEAP

Personal Essay—Learning from Winners. Presented at the 2005 Advertising Research Foundation's David Ogilvy Excellence Awards Dinner, New York

David Ogilvy, who died in 1999 at the age of 88, was the most famous advertising man in the world. How do we know that? Because he *told* us so. He'd say, "I'm the most famous advertising man in the world. All the others are dead!"

By that, he put himself in the company of Bill Bernbach, Leo Burnett, Fax Cone, Albert Lasker, Rosser Reeves, and other giants of the business. The list changes, depending on the compiler. It *always* includes Ogilvy.

Yet before he created iconic ads like the eye-patch for Hathaway shirts, the bearded Commander Whitehead for Schweppes, or the most famous headline in the car business: "At 60 miles an hour the loudest noise in this new Rolls-Royce comes from the electric clock" …

Before he took the concept of brand image from the academic world and injected it into the lexicon of advertising …

Before he changed the economics of advertising in being the first to work for fees instead of media commissions …

Before he became the first consumerist, preaching: "The consumer is not a moron, she is your wife. Don't insult her intelligence, and never write an advertisement you would not want your own family to read" …

Before he built a highly respected international advertising agency with a unique corporate culture …

Before he wrote the all-time best-selling book in the business, *Confessions of an Advertising Man …*

Before he became the most famous advertising man in the world …

David Ogilvy was a *researcher*.

His first job in this country was with George Gallup's Audience Research Institute in Princeton, polling public opinion. Ogilvy described the experience as the luckiest break of his life. He learned opinion research and factor analysis. When he opened his agency in 1947, he billed himself as Research Director. He was an early subscriber to Gallup & Robinson's research service, and later ascribed the agency's meteoric rise to the use of tools he learned with Gallup.

"Research saved me from some terrible mistakes. It also gave me the courage sometimes to run campaigns which I thought would flop."

That he would gravitate toward research is not surprising; it was in his DNA. He was a world-class listener with an inquiring mind. He studied Gallup & Robinson research and learned that most successful ads shared features lacking in most ads that failed. He took these findings, added his own famous campaigns, set down what he had learned with dogmatic flourish, and put it in slide presentations called "Magic Lanterns." He proselytized relentlessly within the agency, with clients and in public forums. It was a crusade to make the practice of advertising more professional, using research and knowledge as its centerpiece. "We pursue knowledge," he said, "the way a pig pursues truffles."

Professionalism implies training. Here's a memo to his directors:

> I have a new metaphor – The Teaching Hospital.
>
> Great hospitals do two things: They look after patients, and they teach young doctors.
>
> Ogilvy & Mather does two things: We look after clients, and we teach young advertising people.

Ogilvy stated his research philosophy as "Look Before You Leap." A creative director had suggested that line to him, and he latched on to it. *Look Before You Leap*. That's two thoughts. Look. And leap.

First, look deeply into the research. Then take a leap, an adventurous creative leap to a BIG IDEA (and he always wrote that in capital letters).

> Unless your advertising is based on a BIG IDEA, it will pass like a ship in the night.

One of his biggest ideas was for Dove, which had been presented to the agency as the first "neutral" soap. Suspecting consumers would have little interest in that proposition, he uncovered the fact that one ingredient was similar to deep cleansing creams popular at that time, and proposed positioning Dove as better than soap because it contained "one-quarter cleansing cream" and wouldn't dry a woman's skin. Still on his original nondrying positioning fifty years later, Dove has become the largest-selling bar soap in the world. Big ideas have legs.

What would Ogilvy think of today's advertising?

Some he wouldn't relate to, because they talk to a younger audience or deals with products he wouldn't understand, especially technology. Some he would applaud for their inventiveness in delivering a message.

But much he would deplore for being self-indulgent, obscure, wasting a client's money, and neglecting the purpose of advertising: to sell a product or service.

"Who is approving this junk called advertising?" he asked DeWitt Helm, then president of the Association of National Advertisers in 1991. "Have the clients gone crazy?"

He accepted that advertising had to attract attention ("You can't save souls in an empty church") but not at the expense of selling a client's product. He was unimpressed by the creative revolution that emerged in the 1970s and put off by its flashy techniques with no evident payoff in sales, and delivered his message in interviews and speeches: "There is a disease called entertainment that is infecting our business."

The disease was spread, in his view, by awards given at creative contests, so he launched his own award: for sales. The David Ogilvy Award was established to recognize the campaign which did the most to improve a client's sales or reputation. A red plaque and $10,000 cash to the winner was accompanied by this admonition:

> If you, my fellow copywriters or art directors, want to win the award, devote your genius to making the cash register ring.

He became so associated with sales results that Campbell's Soup, a client, set up its own David Ogilvy Award for effective advertising for its brands, confident that as judge he would be so objective that the award could go to other Campbell's agencies (it did).

When the Advertising Research Foundation announced The ARF Ogilvy Research Awards in 1994 "for the effective use of research in developing successful advertising," Ogilvy felt his crusade justified. He would be cheering the plan to use these case studies to create training materials, and this book.

"If there's one thing I'd rather do than congratulate the winner of the David Ogilvy Award," he said, "it would be to win the Award myself."

Ogilvy certainly wouldn't recognize the business today. It changes too rapidly. Almost everything is different in the new world of multimedia, multichannel, multioption communications. What haven't changed are underlying principles of strategy and communications, a validation of the man who taught the principle of searching for principles.

Index

Advertising / Marketing / Consumer Psychology

"Great research" is not that which is technically excellent, but that which creatively and effectively helps marketers see new solutions and make better decisions. The cases in this book, covering a wide variety of industries and research techniques, are vivid and powerful examples of such research. And they are complemented with a narrative that cleverly introduces non-technical readers to the essentials of some of the most effective research techniques around. A very potent package indeed."

—Rajeev Batra, S.S. Kresge Professor of Marketing,
Ross School of Business, University of Michigan

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