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# The Case for Print Media Advertising in the Internet Age

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A Research Monograph of the  
Printing Industry Center at RIT

No. PICRM-2006-02



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## With Thanks

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## Executive Summary

The current landscape of audience fragmentation, Internet advertising, and required accountability for advertising expenditures is exerting great pressure on the ability of main-stream, ad-supported media to survive. How can established media such as printed magazines, newspapers, and printed inserts survive? We start our examination of the topic by reviewing the media usage patterns of U.S. adults and advertising expenditure data from 2004. The average American adult over the age of 18 consumed a total of 9 hours, 35 minutes of media per day (Lindsay, 2006): 44.5% of media time was spent with TV; 27.8% with radio; 5% each with Internet, newspaper and recorded music; and 6% with magazines and books combined.

The amount of advertising dollars spent on newspapers, consumer magazines, and business papers ads (including business magazines) accounts for approximately 40% of all media advertising expenditures in 2004 (Veronis Suhler Stevenson, 2004). Broadcast and cable TV and radio represent an additional 44% of the media advertising dollars spent. Although the Internet advertising category (including search and display advertising) was significantly smaller, it grew at a faster rate than all other media.

The desire for advertising accountability starts with this question: Does advertising affect consumer buying behavior? The impact of advertising has been measured on a variety of outcome measures such as aggregate sales for a brand, individual brand choice behavior, and the intermediate effects of awareness, beliefs and attitudes towards the advertised brand. The relatively few research studies that have examined the impact of advertising in different media show that print advertising performs well compared with other media. For example:

- In a study of the top 100 advertisers, higher correlations were found between a firm's sales and the amount of *print advertising* it bought versus sales and the amount it spent on broadcast advertising.
- Magazine advertising was more effective than network TV advertising for promoting SUV brands over a 10-year period.
- People who were exposed to printed newspaper advertising had a higher recognition of ad content than those who received an online version of the same advertising message.
- For a food franchiser, the best sales resulted from advertising media spent concurrently on primary direct mail and national TV advertising.
- In a Doubleclick study, the *most influential sources of information* affecting purchase decisions, overall, were word-of-mouth and salesperson sources. For individual product categories, *printed advertising* was the most influential source of information for consumers who purchased personal care / home care products, and the second most influential source for those purchasing consumer electronics and home improvement products.

- In a study of newspaper readers, 78% reported that they used newspaper inserts to plan shopping, and 76% said that inserts helped them save money.
- Dimensional mail yielded a 5.4% lead generation rate (versus e-mail at 3.27%), and co-op shared mail produced a 5.47% direct order rate versus 4.16% for Internet banner ads.

While these research studies show the effectiveness of printed advertising, more robust methodologies must be developed in this new era of accountability. Two new audience response metrics are discussed that may deliver on this promise: single source databases and experimental designs. Single source databases such as the Apollo Project provide precise data to advertisers about the impact of exposure to a variety of advertising media on a participant's response of buying certain products and brands. An example of an experimental design methodology is presented in the book "What Sticks" by Briggs and Stuart (2006). The process begins with the specification of communication objectives at the outset of a campaign to define the use of appropriate metrics. The media mix optimization can be assessed when the outcome data (e.g., change in awareness) are gauged against the cost per response (CPR) for each ad medium. The Briggs and Stuart method may be a good model for all print media owners, publishers, and print services providers who need to prove, with every campaign, that print advertising delivers an acceptable return on the advertiser's investment.

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## Chapter 1: The Changing Media Landscape

### Introduction

The media have a long history of providing timely and useful information that has been instrumental in building our fledgling democracy. The freedom of the press guaranteed by our Constitution supported the journalistic function of the media, exemplified by the early newspapers. However, as popular forms of printed media became more acceptable (for example, printed fiction in the 19th century and wide-circulation photographic magazines in the 1930s), and with the development of radio and television in the 20th century, the entertainment function of the media grew in importance. While the media are valued for their informational and entertainment functions, they also provide an important business function as a vehicle for advertising.

Advertising has been a vital part of business for centuries. Tradesmen signs existed during the early Greek and Roman civilizations (*Signs of the Times*, 1976). Up to the middle of the 17th century, advertising was exclusively an outdoor medium used to direct customers to local merchants. With the widespread adoption of the printing press, local newspapers were published and carried classified advertising. In the 19th century, enterprising merchants used the press and the postal system to print the first commercial catalogs. America's first catalog was produced in 1856 by the Orvis Fishing Company (The Orvis Company, 2006).

The growth of radio and television as entertainment media in the 20th century also attracted advertising dollars as these media began to compete with print media for their share of annual expenditures. With the explosive growth of the Internet as a commercial medium in the 1990s, the media environment became increasingly competitive. The Internet delivers information instantaneously to people's desktops, cell phones, or other mobile devices, in color, with the ability to play music, show movies, and accept customer-created content.

But the Internet is not the only recent media innovation. Electronic displays of every size carry messages in the outdoor arena. Digital color production presses allow for the customization of printed sales collateral and direct mail. TiVo enables time-shifted television viewing. All of these changes result in the fragmentation of audiences as advertisers include new media forms in addition to their main-stream media allocation patterns. The advertising allotments of firms are split among more media options, with a net effect of reducing advertising revenue to the established or main-stream media.

Another challenge to the world of advertising is the increased accountability demanded by marketing managers of their advertising spending. Advertising agencies and media publishers are responding by increasing their focus on return on investment (ROI) measures. For example, WPP's media buying company, Mindshare, is adding new employees to work on econometric modeling efforts (Patrick, 2005). Omnicom is doing the same: in one reported analysis, Omnicom helped a British supermarket chain assess the long-run impact of its TV advertising campaigns. Omnicom concluded that a £28 million investment per year yielded 1.12 *billion* pounds in revenue.

This type of econometric analysis is only one approach to measure the return on an investment in advertising. Another approach relies on direct observation of the impact of specific forms of advertising on an individual. Advertising dollars are increasing for direct response and interactive media such as direct mail, direct response TV, and Internet banner and search advertising. These media forms provide unambiguous evidence of direct customer response to an advertisement and are becoming increasingly attractive to advertisers. However, some industry observers caution that allocating an increasing share of the total advertising media expenditure to direct response and interactive media forms is short-sighted. These observers believe that brand equity can't be built with such approaches. The new focus on media and advertising "engagement" is addressing this concern but is in its infancy in terms of construct definition and implementation.

The current landscape of audience fragmentation, Internet advertising, and required accountability for advertising expenditures is exerting great pressure on the ability of main-stream, ad-supported media to survive. Our focus of this research is on the viability of *printed* advertising media. Printed media forms include mass-market magazines, newspapers, the Yellow Pages, inserted media, outdoor posters and transit advertising, signage and point of sales materials, direct mail, custom magazines, business-to-business (B2B) magazines, sales collateral, and catalogs.

This monograph reviews research that shows how print media advertising can survive and possibly flourish in the face of current trends. In the remainder of this chapter we examine media usage patterns of U.S. adults and advertising expenditure data from 2004 that presents information on audience fragmentation. Also, an account of U.S. advertising expenditures shows the recent impact of the Internet on advertising budgets. To address the challenge of accountability, Chapters 2 and 3 summarize the findings of academic and practitioner research on the effectiveness of advertising, and in particular, print media advertising. We then review the literature and critique the methodologies used to measure the impact of advertising. The sought-after accountability of print media advertising depends on valid and reliable research methods. Chapter 4 examines new media metrics that may help media planners and buyers select appropriate media forms.

### The Media Environment in the U.S.

Our analysis of the media environment begins with an examination of the media-consuming habits of the U.S. population. In the current culture, media viewing and/or listening comprises a significant portion of the leisure time of the U.S. population. According to one study, as of 2005 the average American adult over the age of 18 consumed a total of 9 hours, 35 minutes of media per day (Lindsay, 2006). The distribution of media sources is shown in Figure 1 and reveals that the mainstream media of television and radio still represent the bulk of the population's time spent with media. The pie chart shows that 44.5% of media time is spent with TV; 27.8% with radio; 5% each with Internet, newspaper and recorded music; and 6% with magazines and books combined.

One distinguishing feature of the typology of current media is whether it is “advertising-supported” (free but readers/viewers/listeners must tolerate advertising messages) or “subscription-supported” (viewers/readers/listeners pay for content that is often, but not always, free of advertising such as pre-recorded movies or satellite radio). The Veronis Suhler Stevenson (VSS) communications group (2006) extends this classification system to include four major media types available to U.S. consumers:

1. **Consumer end-user media:** Includes media that charge consumers fees for TV, books, recorded music, Internet content, magazines, movies at home or at the box office, and newspapers. (\$199.3 billion)
2. **Institutional end-user media:** Includes *fees* for business information services, professional information, and B2B trade shows and media. This category also includes *advertising* revenue from B2B media. (\$183.4 billion)
3. **Advertising:** Firms pay to have ads included on broadcast TV and radio, on cable TV, in newspapers and magazines, outdoors, on Internet banners and search ads, or in the Yellow Pages. This category is often referred to as “above the line” or “measured media”<sup>\*</sup> spending. (\$199.6 billion)

\* The terms measured and unmeasured media were created by ad measurement firms years ago to reflect how media budgets are planned and reported by firms. Measured media have historically been bought by ad agencies or media buying firms for advertiser clients.

4. **Specialty media and marketing:** Includes public relations spending, direct mail, consumer promotion, branded entertainment, telemarketing, catalogs, and custom publishing. This category is often referred to as “below the line” or “unmeasured” advertising. (\$275.1 billion)

The latter two categories merit some further explanation. Table 1 addresses “measured media.” When you combine expenditures for newspapers, consumer magazines, and business papers ads (including business magazines), this represents approximately 40% of all media advertising in 2004 (Veronis Suhler Stevenson, 2004). Broadcast and cable TV and radio represent about 44%. The remainder is spent on the Yellow Pages, the Internet and outdoor advertising.

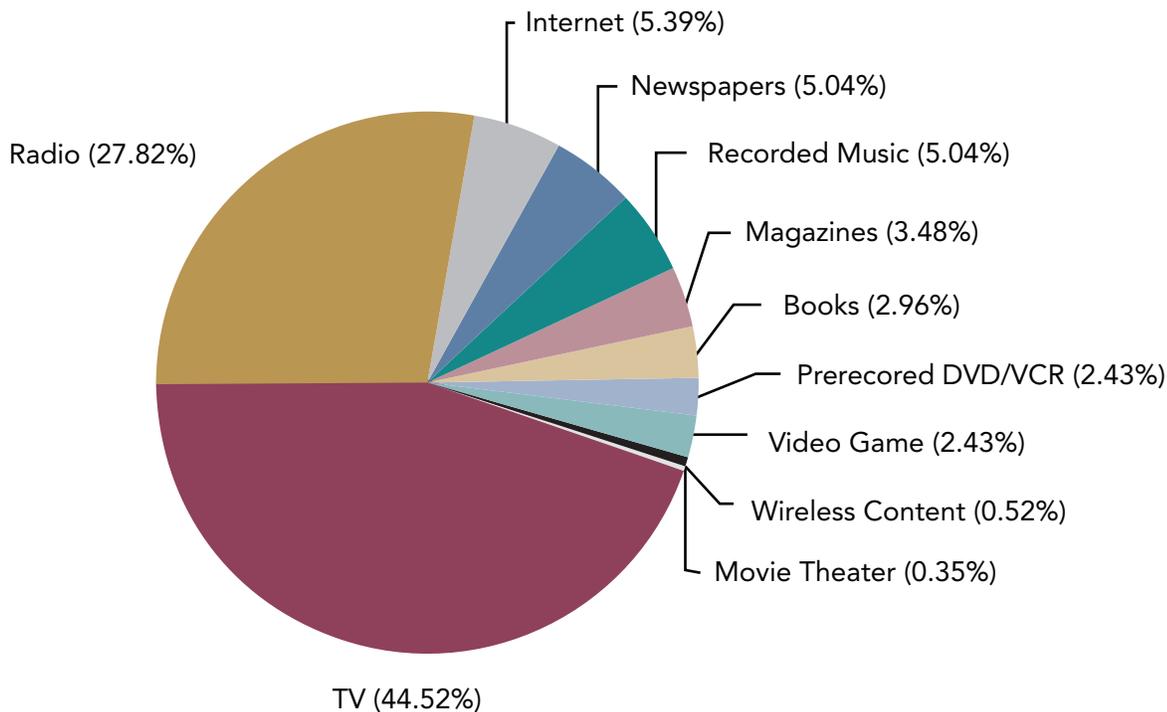


Figure 1. Media consumption of the average U.S. adult in 2005 (Lindsay, 2006)

## Chapter 1: The Changing Media Landscape

Table 1. Measured media expenditures in 2004 (Veronis Suhler Stevenson, 2004)

Measured Media Advertising	2004 (in millions)
Newspapers (27%)	\$52,152
Consumer magazines (6%)	\$12,121
Broadcast TV (23%)	\$43,176
Cable TV (10%)	\$18,925
Radio (11%)	\$20,306
Yellow Pages (print) (8%)	\$15,152
Business papers (6%)	\$12,121
Out of home (3%)	\$5,834
Internet (5%)	\$9,626
Total	\$189,413

In a study of the top 100 U.S. advertisers in 2005 (Endicott, 2006), the firms with the largest advertising budgets were shown to have spent a total of \$146.8 billion in 2005 on measured media. The leading industries were:

1. Automotive \$20.9 billion
2. Retail \$18.6 billion
3. Telecomm, Internet, ISP \$ 9.9 billion
4. Financial services \$ 8.5 billion
5. Medicines \$ 8.4 billion
6. General services \$ 7.8 billion
7. Food, beverage, candy \$ 7.3 billion
8. Personal care \$ 5.6 billion
9. Movies, music, video \$ 5.5 billion
10. Airlines, hotel, travel \$ 5.5 billion

These data show that Internet advertising expenditures in the U.S. were only 5% of the total (\$9.63 billion) in 2004.\* However, it is the growth of Internet expenditures that threatens the main-stream media. Internet advertising, primarily in search and banner ad revenues, is expected to grow at an average *annual* rate of 24% over the next five years. Though this high growth rate is impacted by its small base, it is nevertheless becoming a more significant portion of the advertising budgets of top advertisers. These figures do *not* include money spent on creating and maintaining corporate web sites or e-commerce sites.

The Internet as an advertising medium threatens each form of printed advertising. With its perceived “free content” in portals such as Yahoo!, the Internet rivals newspapers in delivering local and national news. Free services such as “craigslist” threaten printed classified advertising. With the plethora of “free” online information from merchants, product manufacturers, hobbyists, concerned citizens and the government, in conjunction with powerful search engines used to uncover sought-after information, the Internet also challenges magazines that have traditionally excelled at targeting niche markets by lifestyle. Not only does the Internet impact main-stream media advertising, it is also a powerful competitor to the printed forms of direct marketing. The ability to customize information immediately threatens the growth of personalized direct mail. And printed catalogs are being replaced by the e-commerce portals of some retailers.

Let’s examine the “below the line” media expenditures next. Unmeasured media (“below the line”) expenditures that reach both B2B and the end-consumer are presented in Table 2 (Veronis Suhler Stevenson, 2004). Direct mail represented the largest category at over \$50 billion. The expenditures for direct mail and catalogs at roughly \$67 billion combined exceed the amount spent on broadcast and cable TV from Table 1 (approximately \$62 billion).

\* A somewhat lower estimate of Internet advertising expenditures was reported in *Advertising Age’s* “Interactive Marketing and Media Fact Pack,” April 7, 2006, which revealed that \$8.32 billion was spent in 2005 on Internet advertising in the U.S. (*Advertising Age*, 2006).

Table 2. Unmeasured media expenditures in 2004 (Veronis Suhler Stevenson, 2004)

Unmeasured Advertising	2004 (in millions)
Direct mail (30%)	\$51,349
Consumer promotion (18%)	\$31,639
Custom publishing (13%)	\$22,009
Branded entertainment (12%)	\$20,729
B2B promotion products (10%)	\$17,310
Catalog (9%)	\$15,584
Trade shows (5%)	\$9,149
PR (2%)	\$3,410
Total	\$171,179

For more details about B2B advertising budget allocations, we turn to a June 2006 report commissioned by Epsilon of 175 marketing executives from a variety of industries (Epsilon, 2006). An average of 66% of their budgets was spent on main-stream forms of advertising—direct mail, magazines, TV, and newspapers. The other third was spent on new media forms including Internet display ads, e-mail, affiliate programs and paid search. Table 3 presents the results using Epsilon’s categories of trackable and non-trackable media. Epsilon defines trackable media as those that furnish a direct, measurable response, and includes both main-stream media and new media.

Table 3. Business-to-Business media allocations (Epsilon, 2006)

Trackable	Percent of Total
Direct Mail	17
Internet Display	11
E-mail	8
Affiliate	6
Search	5
Telemarketing	3
Other Interactive	5
Non-Trackable	Percent of Total
Magazine	13
TV	11
Newspaper	6
Radio	3
Yellow Pages	3
Other	9

The survey also asked the executives how these media allocation decisions were made. The most frequent response was reported as “a rough estimate based on past experience” (46% of respondents). About half as many (19%) allotted a fixed amount to each channel and 23% used sophisticated statistical modeling. A few (11%) left the media planning to their advertising agencies. When asked which specific marketing goal the media plan supported, the bulk of spending was shown to be for early stages in the decision process: customer acquisition (33%) and creating brand awareness (29%). Spending for customer retention and loyalty was somewhat lower (at 24% and 11% respectively).

Studying the media landscape puts the growth rate of the Internet into perspective. Though the Internet is the fastest growing advertising medium, it nevertheless accounts for a small portion of total media expenditures. The overall TV audience is segmented into various groups defined by age and interests, and yet television viewing is still the “average” citizen’s choice for media-related leisure time. The main-stream media forms of television (both broadcast and cable) and newspaper remain at the top of the expenditure ladder. However, “below the line media” forms are seeing an increase in media spending (Cappo, 2003). These forms of promotion (such as event sponsorship) can overcome advertising clutter found in main-stream media channels. Other forms of below the line media such as direct mail are selected because they provide a built-in direct feedback mechanism so marketers can assess the near-term impact of the advertising dollar.

Publishers, broadcasters, and owners of main-stream media rely on advertising revenue to survive. With decreasing or stable circulation and audience sizes, it is becoming more difficult to make the business case for adding more advertising dollars in main-stream media. In addition, advertisers are placing greater importance on knowing the return on their investments as a criterion for choosing the media. That is, companies need assurance from their media planning firms and advertising agencies that, for example, the money they spend to buy space in a magazine reaching a precisely targeted audience will lead to higher profits than money spent on broadcast TV that is more able to reach a larger but more heterogeneous audience. The main-stream media are now being asked to provide solid evidence that advertising on their networks, in their magazines, or in their newspapers, will lead to measurable outcomes. Accountability will be explored in the next chapter.

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## Chapter 2: Assessing the Effectiveness of Advertising—Methods and Findings

Measuring the impact of advertising has been a top concern of advertisers for over 100 years. A now famous quote by John Wanamaker,<sup>\*</sup> department store owner in the early 20th century, demonstrates this point: “*Half the money I spend on advertising is wasted; the trouble is I don’t know which half.*”

A large part of the challenge is that advertising is only one part of the marketing function that influences consumer buying. A firm vies for customers in an intensely competitive market place where price, distribution, and product differences all work in concert to differentiate the offerings to consumers. Advertising is only one of many promotional tools that marketing managers use to provide information and incentives to target markets. Other tools include personal selling with supported collateral material, promotional incentives to resellers, and public relations activities. Many large firms rely on

\* <http://www.quotationspage.com/quote/1992.html>

advertising agencies to provide an overall promotional strategy, as well as to develop creative elements, recommend media, and implement an approved plan by producing advertising and then buying space or time in the media selected. Isolating the impact of advertising amidst this complexity is very challenging.

Numerous studies have addressed this issue, but one of the best appeared in 1999 in the *Journal of Marketing*. Authors Vakratsas and Ambler reviewed over 250 articles that appeared in the academic literature and summarized their findings. This study is of interest in three ways. First, it provides a theoretical framework of advertising's impact on buyer behavior and a taxonomy of the theoretical perspectives that have driven much of the academic research. An adaptation of their generic model is shown in Figure 2. Second, by reviewing the theoretical models and the research designs that test them, we can easily understand the common metrics used today to assess the impact of advertising. Third, the authors identify five generalizations that tell us what we really know about advertising effectiveness based on their literature review (Vakratsas & Ambler, 1999).

### Theories of Advertising's Impact on Consumers

The generic model starts with advertising exposure, a measure of the target audience's opportunity to see the ad while consuming media. This first stage is under the control of the advertiser, who determines the message and selects the media and amount of market coverage (budget). Stage 2 is controlled by the media consumer who is able to decide what information to accept. The audience's attention to advertising varies by its interests and "need states," in a process known as "selective perception."

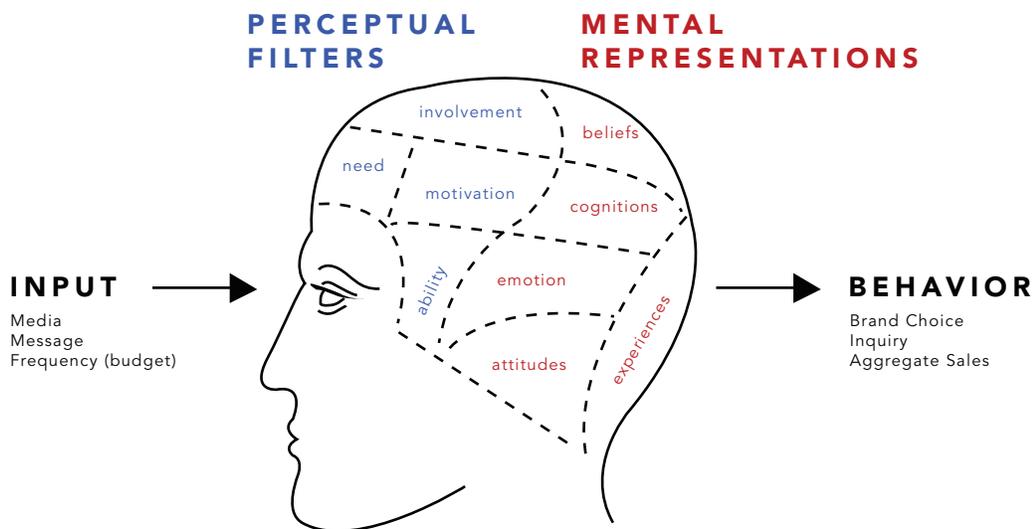


Figure 2. Generic Model of Advertising's Impact on Buyer Behavior

Stage 3 captures the result of the consumer's focal attention during Stage 2. If the ad was encoded, the message content within the advertisement is represented by a change in the media user's mental state. These "intermediate effects" can be cognitive (a change in awareness, beliefs, or knowledge), affective (emotional or attitudinal variables such as liking, preference or trust), or experiential (through interactions with the product itself). This experiential factor is particularly important when people are presented with the trial use of products that can be part of a promotional mix. In other cases, experience builds through interactions with others' consumption of the product (e.g., riding in a friend's new Lexus). These mental representations of the brand are called the "intermediate effects" of the advertising and in some theories, they predict the likelihood of buying. Buying is just one type of behavior that is captured in Stage 4; other common metrics include first time brand choice and repeat purchase. Behaviors that precede buying are often identified as the goals of much business-to-business (B2B) marketing, and include inquiry and requests for more information.

Vakratsas and Ambler (1999) grouped the existing research into seven theoretical models of how advertising works. These models have different perspectives on how media users process advertising information and define the types of dependent measures (outcome variables) used in the research designs. Six of these models are described below and then Vakratsas and Ambler's conclusions about advertising effectiveness are summarized.

### 1. Market Response Model

Market response or *econometric* research tests the direct impact of advertising on buying outcomes *only*. That is, no intermediate effects of cognition, affect, or experience are measured, even if they were thought to exist. In terms of the general model, the econometric model only uses the first and the last stage. The outcomes can be measured at the macro level in terms of aggregate sales or market share, or on the individual level as the response of a single customer.

### 2. Response Hierarchy Models: Persuasive Hierarchy Model

The *Persuasive Hierarchy Model* assumes that consumers use advertising to learn about brands, form preferences based on that information, and then buy the most preferred brand. This model characterizes the process as hierarchical where cognition (often referred to as brand beliefs) is the necessary first step in the processing of advertising content to make a purchase decision. It can be simply represented as:

Advertising >> Cognition >> Preference/liking >> Behavior

This model describes high involvement buying situations where the product is important, the consequences of making a poor decision are large, or the buying situation itself is important (e.g., gift-giving.). This is a recent version of the AIDA model of advertising that specifies that effective advertising starts with Awareness, leading to consumer Interest, then Desire, and finally resulting in Action.

### 3. Response Hierarchy Models: Low Involvement Hierarchy Model

Conversely, the *Low Involvement Hierarchy Model* describes the information processing of advertising content for convenience goods. Here, price of the product is low, the risk of making a poor decision is low, and buying is frequent. In these cases, brand preferences are formed *after* purchase or trial. This model can be represented thus:

Advertising >> Cognition >> Behavior >> Preference

### 4. Integrated Models

The notion that advertising works differently for different buying situations is also a premise of the *Integrated* models in Vakratsas and Ambler’s taxonomy. In these models, the consumer’s response to the advertising is determined by the product and individual differences among consumers that would impact their motivation to process advertising with greater attention. The difference is that these integrated models do not assume that there is a sequential process as in the persuasive and low involvement models described above. The FCB grid developed by advertising agency Foote, Cone and Belding is one example of an integrated model. It includes four buying situations that reflect differences in consumer motivation to engage in pre-purchase search and the types of information sought as determined by nature of the product. Examples of the types of products in each quadrant are represented in Figure 3 (Ratchford, 1987). This model is used by advertising agencies to plan campaign messages and media, based on how consumers integrate advertising and other promotional messages into their purchasing decisions.

Figure 3. FCB grid (Ratchford, 1987)

Motivation	Think / Informational	Feel / Transformational
High Involvement	Autos, Appliances	Luxury Watches
Low Involvement	Package Goods	Variety Goods

### 5. Cognitive Information Models

Vakratsas and Ambler also describe a research stream that focuses on explaining the amount of effort consumers exert prior to purchase. Actual buying behavior is not the outcome measure of interest, but rather it is the amount of search effort expended prior to purchase. The *cognitive information* models take the perspective that advertising provides information that can reduce “search” costs, or the amount of time or effort consumers spend in learning about a brand or product category. The model views consumers as rational decision makers who search extensively using advertising, word-of-mouth recommendations, and interactions with sales personnel to find the best value among the market offerings.

The ability to learn about a product's quality attributes via advertising and the price of the product are common factors in determining the length of search. For example, the search for information increases with the concurrent increase in the price of a product, its social visibility, importance to the individual, and amount of information about it that is available. Conversely, the amount of pre-purchase searching decreases with a consumer's increased prior knowledge and time constraints (Xia and Monroe, 2005).

A demonstration of this conclusion is found in a more recent study. Franke, Huhmann, and Mothersbaugh (2004) tested how much of the content of a magazine ad is typically read for "convenience goods" versus for "search goods." Search goods are products or services that can be easily evaluated before purchase, and advertising is assumed to provide beneficial information on brand attributes. Convenience products rely on experience to judge differences among brands (e.g., does the energy drink really provide energy?). Consumers do not seek out advertising for these products. Using Starch readership scores, Franke, Huhmann, and Mothersbaugh found that the amount of information available in an ad was positively associated with the readership of ads for search products, but negatively associated with readership of ads for convenience products. Consumers exerted more effort (i.e., read more of the text) on ads for search products than for convenience products.

### 6. Pure Affect Model

This theoretical perspective posits that advertising can influence media users without cognitive intermediate effects. That is, consumers form preferences for advertised brands either from repeated exposure (mere exposure) of the ad or via the emotions induced by the ad itself (e.g., humor). The research reviewed by Vakratsas and Ambler has consistently demonstrated that ad likeability contributes to brand preference.

The models described above demonstrate the wide variation in how advertising works and the multiple metrics used to test the impact of advertising. The next contribution of Vakratsas and Ambler's review is their synthesis of the findings from these multiple method studies.

## Research Findings: How Well Does Advertising Work?

Vakratsas and Ambler's literature review concluded with five generalizations (see Table 4). We'd like to highlight two of them in particular. First, regarding the impact of advertising in general, support for Generalization #2 was found in the econometric studies, showing that advertising elasticity (the measurement of the relationship of changes in sales to changes in advertising) is low (0 to .2). Moreover, short-term promotional effects (e.g., special price offers) were shown to have a larger impact on buying than advertising. Given these conclusions, it will prove difficult to link the direct impact of advertising on buying even in the best of research programs.

Table 4. Generalizations on how advertising works by Vakratsas and Ambler (1999)

	Generalizations
G1	Experience, affect, and cognition are the three key intermediate advertising effects, and the omission of any of these can lead to an overestimation of the effect of the others.
G2	Short-term advertising elasticities are small and decrease during the product life cycle.
G3	In mature, frequently purchased packaged goods markets, returns to advertising diminish fast. A small frequency, therefore (one to three reminders per purchase cycle) is sufficient for advertising an established brand.
G4	The concept of a space of intermediate effects is supported, but a hierarchy (sequence) is not.
G5	Cognitive bias interferes with affect measurement.

Second, in summarizing results testing the persuasive hierarchy model, Vakratsas and Ambler found little evidence to support the notion that consumers process information in a hierarchical sequence (G4). Their literature review found that the correlations between attitude/affect/preference and buying behavior, though statistically significant, are relatively low, with the upper range near  $r = .30$ . So, while some buying situations may find the consumer actively gathering information to form an opinion and then act, this sequential behavior is not common. Other researchers make a similar conclusion. Xia and Monroe (2005) remark that “consumers only exhibit limited search despite the availability and low cost of information,” and then ask, “Do consumers make their decisions based on insufficient information or do they also acquire information through ways other than direct search?” (p.122).

In their review of the research on the focused, direct information acquisition of consumers, Xia and Monroe state that all information acquisition is not isolated to the period immediately prior to purchase. They stress the importance of casual information scanning by consumers, often a missing component of our understanding of how advertising works. *Incidental* exposure to advertising comes from looking or listening to media everyday. Research in this arena has used terms such as “ongoing,” “recreational,” or “exploratory” pre-purchase searching to describe this behavior. This is similar to the pure affect models that Vakratsas and Ambler described where brand liking builds from the mere exposure to a brand name, and does not require knowledge of brand attributes to form that preference. This affect may form without cognition, and Vakratsas and Ambler state that it is difficult to measure without asking consumers questions to reveal their emotions. Because such questions are verbal in nature they therefore introduce a cognitive bias to these measures. Therefore, isolating the purely affective response to advertising is difficult if not impossible (G5).

Lastly, Vakratsas and Ambler recommend that future research include the context of advertising. Context attributes will include goal diversity of the ad (cognitive versus affective content, for example), the product category, competition, stage of product life cycle, the marketing mix, and the target market. In the next chapter, we will review the research on one of these contexts, the impact of the advertising *medium* on ad effectiveness.

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## Chapter 3: Media Effects

The previous chapter reviewed what we know about how advertising works without particular attention to the medium in which an ad appears. If media weight or selection was considered at all in the studies cited, it was often broadcast advertising or Internet advertising that was the focus of the study. The purpose of this chapter is to summarize the published research that examines the comparative effectiveness of *print* advertising on intermediate communication goals (e.g., cognition, affect and behavioral intention), on consumer buying behavior, or on corporate outcomes such as sales or operating income. We will organize the presentation of these findings first by the source of the publication (academic journal or practitioner journal), and then by the nature of the dependent measures used—the impact on sales (in the aggregate), individual buying behavior, consumer recall of ad messages, and attitudes toward the ad.

### Academic Research: Impact on Sales

Luo and Donthu (2001) examined the media spending choices of the top 100 advertisers in the U.S. in 1998 to establish benchmarks for media selection decisions. They concluded that only 9 of the top 63 advertisers were efficient in their media spending. Those firms that spend proportionately more on print media advertising had higher sales and operating incomes compared to those firms that did not. That is, higher correlations were found between the amount spent on print advertising and sales and operating incomes ( $r = 0.61$  and  $r = 0.28$ , respectively) versus the amount spent on broadcast advertising and sales ( $r = 0.44$ ) and operating incomes ( $r = 0.19$ ).

Stafford, Lippold, and Sherron (2003) tested whether there was a relationship between average weekly unit sales and the type of advertising used. They analyzed sales data provided by a franchiser for 121 weeks of pizza store sales for one metropolitan area from 1999–2001, and the advertising media used for each week. A regression analysis revealed that 63% of sales variability was explained by the media expenditure patterns. The average weekly sales without any advertising was \$10,696. The most powerful influence on sales was the media combination of primary direct mail AND national TV advertising, which resulted in a \$1,057 increase in weekly sales.

Vakratsas and Ma (2005) examined the effectiveness of media choice (magazine, network TV and spot TV) on the monthly sales of competing brands of SUVs, factoring in persistence effects (impact of advertising over time). They used a lagged regression analysis of monthly sales (during the 1990s) for Ford Explorers and Jeep Grand Cherokees, with advertising expenditures as the predictor variables. For Ford, the

percent spent on each medium were: magazine (36%), network TV (45%) and spot TV (12%). For the Grand Cherokee they were: magazine (27%), network TV (30%) and spot TV (31%). The results showed that magazine advertising was more effective than network TV advertising for both brands in the long-term, and spot TV was the least effective advertising medium. Using a regression model to simulate the impact of changing the media mix on future sales, the authors predicted that increasing the advertising budget allocation for magazines could have improved the sales of both Explorers and Grand Cherokees.

### Academic Research: Impact on Cognition and Affect

To test the intermediate effects of advertising on consumers' cognition, Sundar, Narayan, Obregon, and Uppal (1998) used a laboratory setting to assess the recall and recognition of online text advertisement versus the same advertisement in a newspaper. The online and print ads were both embedded in news stories. While no difference in recollection appeared for the news stories in each medium, people who were exposed to the printed newspaper ad had higher recognition scores for its advertising content than those who received the online version.

In measuring the affective impact of an ad, Calder and Malthouse at Northwestern's Media Management Center created metrics to assess a reader's experience with printed media (Calder & Malthouse, 2004). They developed measures to assess the media user's qualitative experience with magazines and whether this experience related to the advertising in it. For example, Calder and Malthouse found that people regard time spent reading magazines as a luxury, and they read magazines both for personal quiet time and to learn about new things.

The researchers' next step was to determine whether the readers' affective response to the medium impacted the opinion of an ad appearing in the medium. Using a mail survey, readers of magazines and newspapers were asked a number of questions about an advertisement for a fictitious brand of bottled water provided in the mailing. Their attitudes towards the ad were measured (with scales of "energetic," "soothing," etc.), as well as their qualitative experiences of reading. The results indicated a positive relationship between the readers' affective responses to magazine reading and their attitudes towards the ads. That is, readers with more positive responses to survey questions such as, "I find the magazine to be a high-quality and sophisticated product," had more favorable attitudes towards the bottled water ad. The authors concluded:

This research demonstrates that the way a person experiences a magazine or newspaper can affect the way the person reacts to advertising in the publication. For example, people who find the stories in a magazine more absorbing also have more positive reactions to the advertising in the magazine. Therefore, other things being equal, an advertisement in a magazine that absorbs its readers is worth more to the advertiser than the same ad in a magazine that does not absorb its readers as much. (p.14)

The impact of the advertising medium on the message, or “advertising/medium congruence,” has been discussed in previous advertising research, though much of this work investigated the congruence between *editorial content* and the advertised product. In a recent study, however, “product/medium congruence” was tested for print advertisements on “creative” media like egg shells or elevator panels (Dahlen, 2005). Dahlen found that cognitive responses to ads (e.g., brand associations or attitudes towards an ad) were more positive for products advertised on congruent media than on incongruent media. For example, an insurance ad that appeared on an egg had higher ad credibility than when the same insurance ad appeared on an elevator panel. The insurance message is congruent with the egg according to Dahlen because of “its protective shell and that it is fragile and easily breakable” (2005, p.91). This result reinforces the conclusion that the medium itself can be a powerful contextual cue that impacts how ad messages are perceived.

In the preceding studies published in academic journals, print media advertising consistently had a greater impact on market behavior as measured by aggregate sales and on intermediate effects as measured by cognitive and affective responses to advertising than did television or Internet advertising. These few studies emphasize the need for more research. We will continue our review by examining published research conducted by practitioners and industry firms, published in trade journals and through consulting reports. Keep in mind that the following research studies did not go through the rigorous vetting process that is common to the academic review processes.

### Practitioner Research

Practitioner research can be categorized into two types of designs based on sampled populations. One common research method used by trade organizations is to survey their member businesses to ascertain the outcome of advertising and media tactics on sales or inquiries. A second common method is to survey a large sample of customers, media users, or buyers and measure their media exposure (e.g., daily newspaper reading), buying behavior (past purchases), and/or the intended buying behavior (whether they expect to buy in the next few months).

### Surveys of Business Results

The Direct Marketing Association (DMA)’s annual Response Rate Report (2005) showed that DMA members obtained relatively high response rates across a variety of direct media. Regarding printed media, the survey showed that coupons had the highest response rate at 4.29%, followed by co-op/shared mail (3.94%), and dimensional mail and catalogs (both at 3.67%). Internet banner ads yielded a 3.52% response rate and e-mail a 2.48% rate. More specific measures of response from the DMA report are presented in Table 5.

Table 5. Response rates by direct medium (DMA, 2005)

Medium	Direct Order	Lead Generation	Store Traffic
Telephone	6.41%	8.25%	4.64%
Dimensional Mail	-	5.40%	-
E-mail	-	3.27%	-
Direct Mail	-	-	5.84%
Co-op Shared Mail	5.47%	-	-
Coupons	4.29%	-	-
Internet Banner Ads	4.16%	3.27%	-

The Magazine Publishers of America (MPA) worked with the consulting firm Marketing Management Analytics (MMA) to compare the effects of changing the media mix for 59 brands over time. Using a proprietary measure of advertising effectiveness, MMA observed that, “When five percent of the media mix shifted from television to magazines, average media effectiveness more than doubled for the same brands” (p. 15).

Published accounts of anecdotes of business success reveal a variety of marketing or media tactics. A review of trade journals yielded a number of anecdotal/case study reports of the impact of inserted media on sales and inquiries. A few are summarized below.

- Mantis, a manufacturer of gardening equipment, used an insert program for five years. The company’s advertisement rides on the top of magazines that don’t accept advertising. Mantis measures success by the number of qualified leads generated and reports that the program has been a “blooming success” (Formichelli, 2003).
- American Stationery has used package inserts for the last 20 years. Embossed samples are dropped into catalogers’ outgoing packages, generating 20–30% of American Stationery’s orders. The company says that the key to its success is testing the effectiveness of responses across a wide range of catalog retailers (Meyer, 2003).
- Cosmetique, a continuity and club marketer, reports that insert media is one of its top three customer acquisition methods, as measured by lifetime value (LTV). The key, the company maintains, is to set aside 10%–20% of the budget for testing new programs and delivery vehicles. Another word of advice: wait 2–4 months to get results (*Target Marketing*, 2005).

The results from these studies support the conclusion that magazine ads, printed direct mail, and printed ad inserts have a positive impact on business results. One limitation to keep in mind when attempting to generalize these results broadly is that this type of research relies on self-reporting. There may be a positive skew to the results if only those firms who have positive outcomes participate in the survey.

### Survey of Consumers and Media Users

As reported in Chapter 1, newspaper advertising topped \$50 billion in 2004. The popularity of newspaper advertising is due to its local focus. Run-of-press ads and pre-printed inserts provide the savvy shopper with local store specials. Do consumers use newspaper ads? In a survey of 4,500 newspaper readers sponsored by the Newspaper Association of America, 78% of readers reported that they used newspaper inserts to plan shopping, and 76% felt that these inserts helped them save money (NAA, 2006).

A similar conclusion comes from research sponsored by Vertis, Incorporated, a large direct mail and inserted media advertising consultant. Using a third-party research firm, Vertis annually surveys thousands of shoppers to determine what media they use to help them make shopping decisions. The 2005 results revealed that 52% of those surveyed use inserts to decide *where* to shop for groceries, 66% use inserts for making grocery shopping *lists*, and 44% use coupons “regularly” from inserts. When asked about the relative impact of various media on grocery shopping, ad inserts/circulars were reported as most influential by 31% of those surveyed, TV by 18%, and run-of-press newspaper ads by 16%.

A similar type of study is performed periodically by Doubleclick, an Internet advertising firm. Doubleclick’s July 2005 study was conducted with an Internet panel of consumers to assess media influences on buying. The survey was completed in December 2004 by 2,110 adults who were asked about their purchasing habits regarding ten categories of products: automotive, consumer electronics, credit cards and banking, home improvement products, investments and mortgages, movies, personal care / home care, prescription drugs, telecom services, and travel. The information sources studied included online search, corporate Web sites, direct mail, TV advertising, magazine advertising, word-of-mouth, and the help of a sales person. The consumers were asked three questions:

- How did you first learn about the product? (awareness)
- How did you further learn about it? (information gathering)
- Which information source most influenced your decision to buy the product? (purchase decision)

For the measurement of *initial awareness*, the response of “saw it in the store” (or its service equivalent) was among the top four most frequently cited influences in eight of the ten product categories. For *further learning*, corporate web sites were among the top four most frequently mentioned responses for eight of the ten product categories. For *most influential source of information*, word-of-mouth and the help of a sales person were reported as most influential in determining the purchase decision.

For individual product categories, the most influential sources of information were:

- Corporate Web sites for the purchase of autos, travel, telecom services, credit cards, electronics, home products, and mortgages;
- TV advertising for the choice of movies; and
- Print advertising for personal care / home care products.

Print advertising also registered as the second most influential source of information for both consumer electronics and home improvement products. Keep in mind, though, that “saw it in the store” was the top information source for home improvement products (56%), consumer electronics (39%), and personal/home care (36%). Since the goal of much local newspaper advertising and inserted print media is simply to get people into stores for these types of products, the impact of these printed ads may be understated in this study due to their indirect function of store choice.

In conclusion, printed forms of advertising have been shown to have an impact on the self-reported shopping behavior of consumers and on the self-reported business outcomes of direct advertisers. To summarize:

- In a Doubleclick study, the *most influential sources of information* affecting purchase decisions, overall, were word-of-mouth and salesperson sources. For individual product categories, *printed advertising* was the most influential source of information for consumers who purchased personal care / home care products, and the second most influential source for those purchasing consumer electronics and home improvement products.
- In a study of newspaper readers, 78% reported that they used newspaper inserts to plan shopping and 76% said that inserts helped them save money.
- The DMA’s 2005 Response Rate Report found that dimensional mail yielded a 5.4% lead generation rate (versus e-mail at 3.27%), that direct mail yielded a 5.84% response rate as measured by store traffic, and that co-op shared mail produced a 5.47% direct order rate, versus 4.16% for Internet banner ads.

When combined with the results from the previous section that reviewed the academic research, we can make these conclusions:

- In the Luo and Donthu (2001) study of the top 100 advertisers, higher correlations were found between sales and amount of *print advertising* versus broadcast advertising.
- Vakratsas and Ma found that magazine advertising was more effective than network TV advertising for promoting SUV brands over a 10-year period.
- The best results obtained from advertising media spending for a food franchiser was the concurrent use of primary direct mail and national TV advertising.

- People who were exposed to printed newspaper advertising had higher recognition scores than those who received an online version of the same advertising message.

Even with the inherent methodological limitations of this type of study, the quantity and variety of the results make a case for print media advertising. Additional evidence comes from another part of the marketing world—those that sell products and services to other businesses. In the research reviewed above, almost all of the studies assessed the impact of advertising on the end-consumer or household buyer. We turn now to business-to-business (B2B) buying. Here we review models of buying behavior, how media are selected, and research that has been published on media choice and impact of advertising.

### Business Buying (B2B)

Interest in the buying behavior of business firms, government, and not-for-profit organizations has generated a separate body of marketing literature both academically and through consultancy. Some of the differentiating factors that distinguish business buying from consumer buying are the role of groups or committees (the buying center), the presence of professional buyers, and the sometimes elaborate and time-consuming decision processes that are typified by very large purchases. Research on the impact of promotional elements on the B2B decision process has traditionally focused on the role of the sales force on buying decisions. Recent studies, however, have examined how much B2B firms have invested in advertising media and how various advertising media have affected the buying decisions of their business buyers. We will describe these recent studies below.

### The Behavior of Business Buyers

In a June 2006 study (Epsilon, 2006), 588 business executives were interviewed by phone to determine their use of advertising media for researching products and making purchases. When asked for the top two media vehicles that introduced them to a product, 48% reported “B2B magazines” (specialized for the B2B industry, as opposed to general business magazines such as *Fortune*), 34% reported Web sites, and 30% reported sales reps. These three media forms remained the top three information sources used throughout the buying process. The relative importance of each medium is shown in Table 6.

Table 6. Media impact at each stage of business buying (Epsilon, 2006)

	Web Site	Sales Rep	B2B Magazine
Start thinking about the purchase	57%	51%	50%
Research options	66%	52%	50%
Narrow down alternatives	51%	63%	35%
Make a final decision	32%	64%	21%

In terms of media usage, 86% of executives reported reading B2B magazines monthly and 68% had visited corporate Web sites within the previous month. During the previous year, 77% had attended a trade show and 53% a “Webinar.” Executives averaged 2 hours per week reading B2B magazines and 2.5 hours per week visiting corporate Web sites. A small proportion, 11%, reported using blogs regularly. The respondents’ perceptions of the strengths of each medium yielded few surprises: B2B magazines were viewed as trustworthy and objective, Web sites were seen as offering timely information, and trade shows were regarded as the best place for personal interactions and increasing the respondents’ awareness of alternatives.

### Research on B2B Advertising Effects

Very few studies have been published on B2B advertising effectiveness. One study examined various characteristics that encouraged the opening of direct mail by executives (DeWulf, Hoekstra, & Commandeur, 2000). The results revealed that envelope characteristics were the best predictors of whether a direct mail piece would be opened. The most frequently opened type of mail was a normal-sized (number 10) envelope made of paper with a stamp. Mail opening was not impacted by the number of mailings on any given day or by the type of executive receiving them, described by job function.

For inserted media, a case study published in a trade magazine article reported that Pitney Bowes started using inserted media in 2001, in conjunction with direct mail, tele-sales, and field sales. The company found that this program was so successful that they increased their mailings from 1 million inserts in 2001 to 35 million in 2003 (*BtoB*, 2004).

Another case study reported the impact of one firm’s direct advertising efforts. In a 2005 research white paper, the G.A. Wright Marketing, Inc. group described the most effective mailing strategies they had used for lead generation among their target market of independent retailers. Using split run tests with approximately 50,000 businesses in the test and control groups, they found that:

- When content was customized by store type (e.g., toy stores versus sporting goods stores), response rates (leads) were 44–193% higher than the response rates in the control groups that received no customization.
- When 4-color versus 2-color printed materials were used, response rates were 33% higher.
- Higher paper grades increased the response rate by 48% over lighter-weight papers.
- Segmentation using data mining of past responses reduced the number of mailings and yet increased the number of leads generated, improving efficiency by nearly 50%.

In sum, according to the few studies reported here, print remains a compelling medium for B2B advertising. Though the number of research studies on the impact of print advertising in the B2B marketplace is even less than the number of studies on end-consumer effects research, when the results of such studies are combined with the

consumer advertising conclusions described earlier in this chapter, a compelling case can be made to marketing executives to maintain or move dollars towards print. In order to help print services providers, advertising agency media buyers, and publishers make this case, a summary of this research organized by print advertising medium is presented in the Appendices of this monograph.

Though a strong case can be made today, we must emphasize that we are a long way from “finding the truth” regarding the impact of advertising in different media formats. First, we may ask why print advertising produces superior results. Econometric research, with its focus on aggregate sales as outcomes, does not provide an explanation. Laboratory research that tests the intermediate effects of advertising on cognition and attitude suggests that printed advertising allows a reader to acquire more information and/or process information in more depth than other advertising media. At the same time, research that tests the qualitative experiences of media users suggests that these experiences generalize to the advertising within the medium. Very few research studies, either academic or corporate (practitioner), have mapped the complete advertising process, from the validated exposure of an ad to the consumer, to the impact of the ad on cognitive, affective or experiential outcomes (mental representations of the brand advertised), and finally to the ad’s subsequent impact on buying behavior. (One exception is the recent work by Tellis, Chandu, MacInnis & Thaivanich, 2005, who developed a new direct-response television advertising measurement method that includes these components in the research design).

To make the strongest case to retain print as a viable advertising media option in the Internet age, we must find more robust research designs. The next section provides an overview of some promising new research initiatives.

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## Chapter 4: New Approaches to Media Selection

Through the literature review summarized to this point, we have found research results that demonstrate the effectiveness of print media advertising. In order to make a strong case in the future, new metrics used to make the case must be judged as reliable and valid based on sound research methodologies. The focus of this chapter is a review of some new research initiatives that provide improved metrics and methodologies for assessing the impact of advertising suitable for all media. We will describe three initiatives that show promise: single source databases, experimental design methodologies, and engagement.

### Single Source Databases

Media planners, advertising executives, and marketing consultants have been mobilized to identify new approaches to advertising media selection that can address the challenge of predicting ROI. For the past 30 years, media choices have followed the readily available measures of audience size and composition, based on circulation figures for print media, Nielsen ratings for television, Arbitron ratings for radio, and publishers' rate cards.

"Portable People Meters" for television and other media have been improving how TV audiences are measured by Nielsen (Neff, 2006). This technology can determine the number of people who actually have been exposed to ads aired during a TV program.

A new effort called Project Apollo combines Portable People Meter advertising exposure data with a "Homescan Panel," whereby participants scan items purchased when they return from shopping trips. Project Apollo also incorporates a survey of exposure to other, primarily printed, sources of advertising. While results from this project are yet to be made public, a pilot study indicates that the technology can link advertising exposure to the buying behavior of people in the study (Fitzgerald, 2004). This single source database will allow Nielsen to provide precise data to advertisers about the impact of exposure to a variety of advertising media on a participant's response of buying certain products and brands. It sounds very promising.

A second type of single source database has been proposed to assess advertising effects on buying (Schultz, Pilotta, & Block, 2006). Advertising researcher Don Schultz, in cooperation with BIGresearch, used an Internet research panel of over 100,000 participants to assess which of 31 different forms of media they used for making buying decisions. Participants were asked questions concerning their general media usage, whether a particular advertising medium influenced their purchasing behavior for eight product categories, and whether they used various media simultaneously. From a factor analysis on the media influences that affected buying behavior, these three media influence categories emerged:

- mass media (cable TV, TV, radio, and magazines)
- promotional media (inserts, coupons, direct mail, newspapers, and in-store displays)
- search media (Internet, e-mail, outdoor advertising, and the Yellow Pages)

Combining the data from the questions on general media usage with the media influence metrics above, a cluster analysis identified eight types of people categorized by their media consumption habits. See Table 7 for a descriptive summary of each cluster.

## Chapter 4: New Approaches to Media Selection

Table 7. BIGResearch media clusters (Schultz, Pilotta, & Block, 2006)

Clusters	Media Profiles	Size of Population	Average Age	% Male	Income
Old School	High mass media influence (TV, magazines, newspapers), and low search media influence (especially online). Average overall media consumption and simultaneous usage.	7.9%	40.8	53.7%	\$50 K
Active Explorers	High promotional media (inserts, coupons, direct mail) and search media influence. Average media consumption.	3.4%	45.5	36.6%	\$48 K
New "Mediacs"	Low mass media and promotional media influence. High electronic media consumption. Low print consumption.	14.4%	36.8	59.6%	\$40 K
Simultaneous Readers	Average overall media influence. High network simultaneous usage. High print consumption.	6.8%	44.5	43.1%	\$49 K
Independents	Average search media influence. Low media consumption in general.	37.6%	47.4	50.6%	\$45 K
Ravenous	High overall media influence. High network, print and electronic media consumption.	3.9%	36.5	50.2%	\$43 K
Persuadables	High mass media and search media influence. Average promotional media influence.	5.1%	41.4	46.8%	\$49 K
Opportunity Minded	High promotional influence. Average to low media consumption.	20.9%	50.3	37.1%	\$53 K
Averages			44.9	48.1%	\$47 K

Next, the researchers assessed the respondents' stated interests in a variety of products to determine the difference in product interest by media cluster. The results indicated that the "old school" cluster was more interested in food than other clusters, that "active explorers" were more interested in practical (personal and home care) products and large ticket items (furniture and home appliances), that "simultaneous readers" were more interested in practical products, and that the "ravenous" cluster and "persuadables" were mostly interested in small ticket items (e.g., electronics), practical products, and large ticket items. Three clusters did not report a higher than average interest in any of the product categories: new mediacs, opportunity-minded individuals, and independents.

While this approach provides insight into media usage from the perspective of the media user, as noted by Schultz, et al. (2006), the analysis went on to state that:

the clusters are not static, since they are based on consumption patterns. As the consumption changes, individuals are automatically shifted to another consumption cluster. Thus, the system and process is a dynamic approach to media planning and not a static one (p. 11–12).

This means that in order for advertisers to reap the benefits of this research model, they would have to buy into the modeling capabilities of Schultz, et al., and BIGResearch to determine the optimal unique media mix for customers of their own product or service brands. It will be interesting to see whether large advertisers pursue this propriety model through BIGResearch.

A second drawback to the BIGResearch approach is that the data consists entirely of self-reported measures of ad influence and product purchase intentions. Self-reported data are vulnerable to memory lapses and the submission of socially desirable responses on the part of the survey participants. Moreover, questions about media exposure and influence in general do not allow researchers to test the impact of one particular ad on buyer behavior. The ability to test the exposure to individual ads is not a problem for Project Apollo because it relies on direct (as opposed to recalled) measures of broadcast advertising exposure and direct purchase data. Project Apollo does however use self-reported measures (in the form of a survey) for its determination of exposure to other advertising media, including print media.

A solution to these challenges is proposed by two veterans of advertising in a 2006 book called "What Sticks" by Rex Briggs and Greg Stuart. Their method is described below.

### Experimental Design

Briggs and Stuart (2006) propose a methodology that tracks the outcomes of advertising for each medium used. Their methodology requires the specification of communication objectives at the outset of a campaign and the use of appropriate metrics to assess each impact. They suggest that both cognitive and behavioral metrics are necessary. The outcome data from these measures are inserted into equations that evaluate the cost per response (CPR) for each ad medium used to compute the relative ROI for each.

Briggs and Stuart describe their results in testing the effectiveness of 31 advertising campaigns using their propriety research methodology. In developing their approach, they identified two common mistakes found in other ad effectiveness methodologies: 1) reliance on the dependent measure of ad recall, and 2) using dependent measures that rely on consumers' introspection on how advertising influences them. First, Briggs and Stuart's low attentive processing descriptions are similar to the mere exposure and low involvement situations described in Chapter 2, that concluded that much advertising works without the focused attention of the audience. For ad recall to be an appropriate metric, attentive processing is necessary. For the second problem, they provide evidence that people were poor judges of where they had seen advertising, and often incorrectly attributed the medium that carried an advertising message.

Briggs and Stuart developed experimental design methodologies to avoid these problems. They control the exposure of an ad (or variations of ads) to certain groups of consumers, and also include a control group with no exposure to the ad. The dependent measures they use are changes in brand awareness, attitudes, and intention to buy, measured both before and after ad exposure. These tracking studies provide the ability to measure the impact of brand-building advertising on the beliefs, attitudes, and intentions of consumers.

Briggs and Stuart use this model for "copy testing," to see what versions of ads will provide the greatest lift in buying intentions. In addition, they have also used it to determine the optimal media mix. (See Dove Nutrium research at <http://www.iab.net/xmos/case.asp#>.) In these applications, Briggs and Stuart assess the changes in buying intention derived from each medium by the cost of the medium. Using predictive modeling, they can recommend a change in media mix that will lead to the optimal lift in buying intention within an existing budget.

This promising approach is not without its costs, literally speaking. Briggs and Stuart mention that its Dove research study cost in the neighborhood of \$250,000. Clearly this will be appealing to only the largest advertisers.

### Engagement

Advertising's major trade association, the American Association of Advertising Agencies (AAAA), declared in 2005 that "engagement" would become the new metric for advertising accountability. AAAA defined engagement as a "brand idea or media experience that leaves a positive brand impression" (Creamer, 2005, p. 1). While it does not replace the concepts of reach and frequency, engagement is being touted as the baseline criterion for selecting an advertising medium. Engagement parameters will act in concert with traditional media exposure measures. Early in 2005, a high-level study group of advertising executives and marketing researchers took the first steps toward defining a measuring metric for engagement by designing a large-scale research effort to validate its use in planning, tracking, and ROI accountability. As of this writing, the results of this initiative have not yet been shared.

Other research has investigated whether “magazine engagement” had an impact on ad readership. The magazine advertising testing firm Starch Communications Research set out to determine whether ads found in both high versus low engagement magazines performed differently. Their engagement metric was defined by the measurements of:

- readership frequency,
- amount of time spent with each issue, and
- the percentage of each issue that was actually read.

The dependent measure was advertising recognition, or the percentage of readers who remembered an ad in each type of magazine. The results showed the same level of reader advertising recollection regardless of whether the ad appeared in high or low engagement magazines (Ives, 2006). If engagement with the medium generalizes to the ad content within the medium, we would expect the opposite. While the Starch readership score may be one way to assess engagement, the recommendations of the AAAA task force may provide new insights on how to measure the construct.

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## Summary and Conclusion

The purpose of this literature review has been to determine what we know about the effectiveness of print media advertising. We accomplished this by asking how effective advertising is in general, over all media forms, and then specifically for print compared to other media. We conclude that print advertising plays a necessary role in the advertising mix for a myriad of marketing situations.

While previous research acknowledges the past effectiveness of print, print media will survive and grow to extent it can prove, with every campaign, that it delivers an acceptable return on the advertiser’s investment. Print media sellers must understand the media consumption activities of their *clients’* target audiences to be able to make the case that print can deliver the results they expect.

To make the case, though, a new metric may not be needed. Rather, what is needed is a new commitment to helping clients determine communication outcomes and then conduct systematic measurement of these outcomes (Briggs and Stuart, 2006). These sound marketing planning processes are not the norm. Recall the findings of RIT’s Printing Industry Center survey of B2B marketing executives, regarding how media budgets were determined (Pellow, Sorce, Frey, & Banis, 2003). Nearly two-thirds of the respondents revealed that they used a heuristic process, based either on past experience or on a simple allotment of a fixed amount to each media channel. Most of the other participants left the media planning to their advertising agencies, and only a few used in-house resources to conduct sophisticated statistical modeling. The predominant tendency of advertisers who rely on heuristic processes to make marketing allocation decisions needs to be replaced by business processes that can deliver accurate and meaningful feedback.

In the meantime, the press for accountability has stimulated a demand for the short-term effectiveness measures that have made direct marketing so attractive across a wide range of media. The ability of interactive media to deliver instant or at least direct feedback has stimulated growth rates for electronic forms of advertising such as Internet banners and Internet searching. It also has fueled the growth of printed forms such as direct mail as well.

One danger in relying solely on direct, near-term response measures to advertising is the tendency it fosters to overemphasize media consumption situations where consumers are ready to buy. As noted in a previous chapter, people passively scan the world around them, and in so doing learn about new things that may or may not be related to current or future consumption decisions. For some media forms such as magazines and custom print publications, consumers accept and expect advertising because it helps them stay up-to-date. The standard media metrics of brand awareness and brand preference are still satisfactory measures to assess the indirect impact of these types of brand-building media. Drawbacks to these metrics are that they require additional data gathering, post exposure, to make the ROI link. But this would also be a characteristic of any new “engagement” measure. Whether you ask an awareness question or an engagement question, the cost to capture post-advertising data would be the same.

Going forward, as media dollars will become more fragmented across new and mainstream media platforms, specific advertising media platforms will survive only if they can demonstrate advertising effectiveness and efficiency. Although past research has focused mainly on audience response (the numerator in a ROI computation), we cannot overlook overall cost issues. Media placement pricing as reflected in rate cards needs to accurately reflect the size of audiences. Audiences have decreased for most mainstream media vehicles with the advent and proliferation of new media forms in the 20th century. The advantage of the main-stream media has traditionally been that it reached very large audiences. When reach is the goal, as it often is for finding new customers, main-stream media forms will only remain viable IF they can be competitively priced, based on audience size. And yet we know that these audiences are shrinking. A recent study by McKinsey & Co. (Klassen, 2006) found that, while real ad spending for prime-time broadcast TV advertising increased by 40% in the last 10 years, the audience had shrunk by nearly 50% during the same time period. The resulting higher price tag for advertising (cost per thousand consumers contacted or CPM) also affects radio, newspapers and some magazines because of shrinking audiences. The Briggs and Stuart model of media optimization may propel a new culture of accountability that is long overdue.

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## Appendix A: Business-to-Business (B2B) Media—U.S.

### Size

	Expenditures in 2004 <sup>A1</sup>
Trade shows	\$ 9.0 billion
B2B promotional products	\$17.3 billion
B2B magazine advertising	\$ 8.4 billion

### Growth<sup>A2</sup>

	2004	Projected 2004–09
Trade shows	5.8%	5.8%
B2B promotional products	5.9%	6.5%
B2B magazine advertising	3.4%	4.3%

In 2006, the annual survey of graphic designers conducted by *Graphic Design USA* indicated that sales collateral and brochures are the top applications they design, followed by sales promotion and direct mail.<sup>A3</sup>

### Media Allocations<sup>A4</sup>

In a B2B electronic marketing survey conducted by Epsilon, 175 business executives were asked where they spent their advertising dollars. The table below reports the average percentage of budget expenditures on each medium.

Trackable	Percent of Total
Direct Mail	17
Internet Display	11
E-mail	8
Affiliate	6
Search	5
Telemarketing	3
Other Interactive	5

## Appendix A: Business-to-Business (B2B) Media—U.S.

Non-Trackable	Percent of Total
Magazine	13
TV	11
Newspaper	6
Radio	3
Yellow Pages	3
Other	9

When asked about their campaign marketing goals, their responses were as follows: customer acquisition (33%), creating brand awareness (29%), customer retention (24%), and loyalty (11%).<sup>A5</sup>

### Effectiveness

On progress through the decision process:<sup>A6</sup>

	Web Site	Sales Rep	B2B Magazine
Start thinking about the purchase	57%	51%	50%
Research options	66%	52%	50%
Narrow down alternatives	51%	63%	35%
Make a final decision	32%	64%	21%

On response rates:

**Case study:** In a study of direct mail marketing for *lead generation*, targeting independent retailers and using split run tests with approximately 50,000 businesses in the test and control groups, researchers found the following results:<sup>A7</sup>

- When content was customized by store type (e.g., toy stores versus sporting goods), response rates (leads) were 44%–193% higher than the control condition of no customization.
- Segmentation using data mining of past responses reduced the number of mailings and increased number of leads, improving efficiency by nearly 50%.

### Engagement<sup>A8</sup>

- Executives averaged 2 hours per week reading B2B magazines and 2.5 hours per week visiting corporate Web sites.
- Executives viewed B2B magazines as trustworthy and objective, Web sites were as sources of timely information, and trade shows as places for interactions and improving their awareness of alternatives.

### Cross Media Power

Business e-media expenditures were approximately \$1.5 billion in 2004, an increase of 25.9% over 2003. This growth was fueled by B2B publishers adding electronic delivery of their content to complement their print versions, to offer the currency needed by business professionals.<sup>A9</sup>

### Unique Attributes

Marketing collateral supports the personal selling initiatives of firms.

### Endnotes

<sup>A1</sup> Veronis Suhler Stevenson. (2004). *Communications Industry Forecast/Forecast Summary 2005*.

Retrieved May 13, 2006, from <https://www.vss.com>

<sup>A2</sup> Ibid.

<sup>A3</sup> Graphic Design USA. (2006, July). *43rd annual print design survey*. New York: Author.

<sup>A4</sup> Epsilon. (2006). *Marketing survey of spending and technology trends*. Retrieved from <http://www.epsiloninteractive.com/eisite/resourcecenter/resourcecenter.html>

<sup>A5</sup> Ibid.

<sup>A6</sup> ABM survey, 2006, retrieved at [http://www.americanbusinessmedia.com/images/abm/ppt/ABM\\_Full%20Report\\_Final.ppt](http://www.americanbusinessmedia.com/images/abm/ppt/ABM_Full%20Report_Final.ppt)

<sup>A7</sup> Wright, G. A. (2005). *Breaking the ceiling on direct marketing response through testing initiatives*. August 2006, from [www.gawright.com](http://www.gawright.com)

<sup>A8</sup> ABM Survey, 2006.

<sup>A9</sup> Veronis Suhler Stevenson, 2004, *Communications Industry Summary Chapter*.

## Appendix B: Catalogs—U.S.

### Size

2004 expenditures on catalogs	\$15.584 billion <sup>B1</sup>
2005 average circulation of catalogs	\$14.5 million (\$8.9M for houses on file, \$5.6M for prospects) <sup>B2</sup>
Percent of 3,800 catalogs categorized as business to consumer (B2C) <sup>B3</sup>	70%

### Catalog Categories<sup>B4</sup>

Category	Percent
Apparel	38%
Gifts	19%
Home	16%
Books/Audio	5%
Personal Care	9%

### Growth Rate<sup>B5</sup>

2004 (actual)	4.9%
2004-2009 predicted CAGR	5.2%

### Number of Catalogs Listed in the National Directory of Catalogs<sup>B6</sup>

Year	Online Only	Print Only	Both Online and Print
2004	648	5,169	5,699
2005	772	4,701	6,668

## Effectiveness<sup>B7</sup>

### Primary Channel for Generating Orders

Primary Channel	Percent
Paper catalog	60%
Retail	24%
Internet	9%

### Percent of 2004 Sales by Channel

Channel	Percent
Paper catalog	42%
Retail	20%
Website	26%
Other	12%

## Engagement

82% of surveyed adults agreed with the statement: “I like getting catalogs in the mail from stores I patronize.”<sup>B8</sup>

## Cross Media Power

66% of merchants cross-sell online buyers with other communication tactics.<sup>B9</sup>

## Multichannel Marketing Strategies— Specific Channels Used<sup>B10</sup>

Tactic	Percent
Website / e-catalog	93%
Paper catalog	87%
E-mail	90%
Online keyword search	83%
Direct mail	71%
Web advertising	48%
Outbound phone	30%
DRTV	6%

### Endnotes

<sup>B1</sup> Veronis Suhler Stevenson. (2004). *Communications Industry Forecast/Forecast Summary 2005*. Retrieved May 13, 2006, from <https://www.vss.com>

<sup>B2</sup> Direct Marketing Association (2005). *2005 Multichannel Marketing Report*. New York, NY.

<sup>B3</sup> Ibid.

<sup>B4</sup> Ibid.

<sup>B5</sup> Veronis Suhler Stevenson. (2004). *Communications Industry Forecast/Forecast Summary 2005*. Retrieved May 13, 2006, from <https://www.vss.com> ..

<sup>B6</sup> In *Register Newsletter*, Prism Business Media, May 11, 2005.

<sup>B7</sup> Direct Marketing Association (2005). *2005 Multichannel Marketing Report*. New York, NY.

<sup>B8</sup> Sorce, P. (2002). *Relationship marketing strategy* (PICRM-2002-04). Rochester, NY: Rochester Institute of Technology, Printing Industry Center.

<sup>B9</sup> Direct Marketing Association (2005). *2005 Multichannel Marketing Report*. New York, NY

<sup>B10</sup> Ibid.

## Appendix C: Direct Mail—U.S.

### Size

Estimated to be \$51.35 billion in 2004<sup>C1</sup> and projected to grow at a compound annual growth rate of 5.8% from 2004 to 2009.<sup>C2</sup>

### Effectiveness

Among the various advertising media in 2005, direct mail was the top choice of advertisers followed by newspapers, TV, and radio.<sup>C3</sup>

**On response rates:** Direct marketers reported the following response rates by direct advertising medium:<sup>C4</sup>

Response Rates by Medium	Percent
Telephone	8.55%
Direct response TV	8.14%
Coupons	4.29%
<i>Co-op/shared mail</i>	3.94%
<i>Dimensional mail</i>	3.67%
Catalog	3.67%
Banner ads/Internet	3.52%
<i>Direct mail</i>	2.77%
E-mail	2.48%
Postcards	2.19%
Package inserts	1.74%
Radio	1.25%
Search engine	1.07%
Magazine blow-ins	0.63%
Newspaper space ads	0.50%
Statement stuffers	0.21%

**On sales:** In a study of advertising impact on weekly sales of a pizza franchiser, the *best combination of media in driving sales was primary direct mail and national TV advertising* used together. This combination doubled the impact of using any one medium alone.<sup>C5</sup>

### Engagement

38% of households surveyed found direct mail pieces interesting.

85% of mail is either read or visually scanned by customers.<sup>C6</sup>

67% of respondents like getting mail about new products from companies they do business with.<sup>C7</sup>

### Cross Media Power

Internet users had favorable attitudes towards billboards and direct mail advertising.<sup>C8</sup>

### Unique Attributes

Dimensional mail provides unlimited creative options.

Direct mail is tactile.

Direct mail is a push medium with the ability to precisely target customers.

### Endnotes

<sup>C1</sup> Veronis Suhler Stevenson. (2004). *Communications Industry Forecast/Forecast Summary 2005*. Retrieved May 13, 2006, from <https://www.vss.com>

<sup>C2</sup> Ibid.

<sup>C3</sup> United States Postal Service (2005). *Household Diary Study*. Retrieval June 21, 2006 from [http://www.usps.com/householddiary/\\_pdf/USPS\\_FY2005.pdf](http://www.usps.com/householddiary/_pdf/USPS_FY2005.pdf)

<sup>C4</sup> Direct Marketing Association (2005). *2005 Response Rate Report*. New York, NY.

<sup>C5</sup> Stafford, M. R., Lippold, E. M., & Sherron, C. T. (2003, June). The contribution of direct mail advertising to average weekly unit sales. *Journal of Advertising Research*, 173-179

<sup>C6</sup> United States Postal Service (2005). *Household Diary Study*. Retrieval June 21, 2006 from [http://www.usps.com/householddiary/\\_pdf/USPS\\_FY2005.pdf](http://www.usps.com/householddiary/_pdf/USPS_FY2005.pdf)

<sup>C7</sup> Sorce, P. (2002). *Relationship marketing strategy* (PICRM-2002-04). Rochester, NY: Rochester Institute of Technology, Printing Industry Center.

<sup>C8</sup> Tsao, J. C., & Stanley, S. D. (2004). Displacement and reinforcement effects of the internet and other media as sources of advertising information. *Journal of Advertising Research*, 126-142.

## Appendix D: Consumer Magazines—U.S.

### Size

2004 \$12.1 billion was spent on magazine advertising.<sup>D1</sup>

### Number of Magazines 1995–2005:<sup>D2</sup>

Year	Total	Consumer Only
1995	15,996	-
1996	17,195	-
1997	18,047	7,712
1998	18,606	7,864
1999	17,970	9,311
2000	17,815	8,138
2001	17,694	6,336
2002	17,321	5,340
2003	17,254	6,234
2004	18,821	7,188
2005	18,267	6,325

### Advertising Revenue Growth Rate<sup>D3</sup>

2004 (actual) 6%

2004–2009 predicted CAGR 6.2%

### Effectiveness

- A study that compared the effectiveness of different media used for Ford Explorer and Jeep Grand Cherokee advertising campaigns found that total sales growth increased almost monotonically with increased budget allocation for magazine advertising. Spot TV was the least effective advertising medium.<sup>D4</sup>
- In a study that looked at the sales impact of magazine advertising of 36 brands that shifted ad expenditures from TV to magazine, media effectiveness scores doubled over time.<sup>D5</sup>
- 84% of adults (18 years and older) read magazines.<sup>D6</sup>

- Magazines prompt readers to take action: 24% pass an article to someone; 23% save the article for future reference; and 13% visit a related website.<sup>D7</sup>

### Engagement

Top 10 overall experiences that drive magazine use:<sup>D8</sup>

- “I get value for my time and money.”
- “It makes me smarter.”
- “It’s my personal time out.”
- “I often reflect on it.”
- “The stories absorb me.”
- “I learn things first here.”
- “It’s part of my routine.”
- “I find the magazine high quality and sophisticated.”
- “I trust it.”
- “I feel good when I read it.”

### Cross Media Power

Magazine ads can be used to drive consumers to a specific web site.

### Unique Attributes

Magazines reach highly segmented audiences by lifestyle. High pass along rate.

### Endnotes

<sup>D1</sup> Veronis Suhler Stevenson. (2004). *Communications Industry Forecast/Forecast Summary 2005*. Retrieved May 13, 2006, from <https://www.vss.com>

<sup>D2</sup> Magazine Publishers of America. (2006). *Magazine Handbook 2006-2007*. New York, NY.

<sup>D3</sup> Veronis Suhler Stevenson. (2004). *Communications Industry Forecast/Forecast Summary 2005*. Retrieved May 13, 2006, from <https://www.vss.com> .

<sup>D4</sup> Vakratsas, D. & Ma, Z. (2005, June). A look at long run effectiveness of multimedia advertising and its implications for budget allocation decisions. *Journal of Advertising Research*, 45(02), 241-254.

<sup>D5</sup> Magazine Publishers of America. (2001). *Measuring magazine effectiveness: Quantifying advertising and magazine impact on sales*. New York, NY: Marketing Management Analytics.

<sup>D6</sup> Magazine Publishers of America. (2006). *Magazine Handbook 2006-2007*. New York, NY.

<sup>D7</sup> Ibid.

<sup>D8</sup> Calder, B., & Malthouse, E. (2004). *Qualitative effects of media on advertising effectiveness*. Paper presented at ESOMAR/ARF Worldwide Audience Measurement (WAM), Geneva, Switzerland, June 13–18, 2004. Retrieved August 2006, from Northwestern University Medill School of Journalism Web site: <http://www.medill.northwestern.edu/faculty/malthouse/ftp/geneva.html>

## Appendix E: Inserted Media—U.S.

### Various Forms

- Shopping circulars distributed by mail
- Shopping circulars distributed by newspapers
- Coupons distributed by mail (like Carol Wright packs)
- Free Standing Inserts (FSI) distributed via newspaper
- Statement stuffers
- Package stuffers (via shipping).

### Coupon Size and Growth

- FSIs are distributed via the Sunday newspaper to 67 million households every week.<sup>E1</sup>
- Coupon distribution grew 9% to 342 billion in 2004.<sup>E2</sup>
- Expenditures for consumer coupons in 2004 reached \$6.9 billion, an increase of 2.2% over 2003.<sup>E3</sup>
- Projected growth for 2004–09 is 2.7% per year.

### Effectiveness

**On response rates:** In a 2005 DMA study, direct marketers reported the following response rates by direct advertising media.<sup>E4</sup>

## Appendix E: Inserted Media—U.S.

Response Rates by Medium	Percent
Telephone	8.55%
Direct response TV	8.14%
<i>Coupons</i>	4.29%
<i>Co-op/shared mail</i>	3.94%
Dimensional mail	3.67%
Catalog	3.67%
Banner ads/Internet	3.52%
Direct mail	2.77%
E-mail	2.48%
Postcards	2.19%
<i>Package inserts</i>	1.74%
Radio	1.25%
Search engine	1.07%
Magazine blow-ins	0.63%
Newspaper space ads	0.50%
<i>Statement stuffers</i>	0.21%

**On sales:** Coupon redemption rates fell to 3.2 billion (0.9%), a 10% decrease from year before.<sup>E5</sup>

**Use of inserts to plan shopping:**<sup>E6</sup> In a 2006 Vertis Communications study of 2,500 adults, the following information was revealed about the use of inserts:

52% of respondents use inserts for deciding where to shop for groceries.

- 66% of respondents use inserts for making grocery shopping lists.
- 44% “regularly” use and 33% “occasionally” use coupons from ad inserts.

For grocery shopping – which medium most influences your buying decisions?

- Ad inserts/circulars 31%
- TV 18%
- Run-of-press newspaper ad 16%

## Engagement

Use of inserted medium (2006):<sup>E7</sup>

- 69% had read inserts in the previous 7 days—up from 61% in 2000
- 52% had read direct mail in the previous 7 days—stable since 2002

Use of inserts to decide where to shop for specific items:<sup>E8</sup>

- Clothing 51%
- Home electronics 49%
- Home improvement 46%
- Home furnishings 32%
- Sporting goods 28%
- Office supplies 28%
- Toys 25%

In a study sponsored by the NAA of newspaper readers, 78% reported that they use newspaper inserts to plan shopping and 76% said that these inserts have helped them save money.<sup>E9</sup>

## Endnote

<sup>E1</sup> CMS. (2005, May 18). *Coupon distribution surges 9% in 2004* (press release). Retrieved from <http://www.cms.inmar.com/news051805.html>

<sup>E2</sup> Ibid.

<sup>E3</sup> Veronis Suhler Stevenson. (2004). *Communications Industry Forecast/Forecast Summary 2005*. Retrieved May 13, 2006, from <https://www.vss.com>

<sup>E4</sup> Direct Marketing Association (2005). *2005 Response Rate Report*. New York, NY.

<sup>E5</sup> CMS. (2005, May 18). *Coupon distribution surges 9% in 2004* (press release). Retrieved from <http://www.cms.inmar.com/news051805.html>

<sup>E6</sup> J. Litwin, Vertis Communications, personal communications, October 2006.

<sup>E7</sup> Ibid.

<sup>E8</sup> Ibid.

<sup>E9</sup> Newspaper Association of America (2006). Report retrieved at <http://www.naa.org/research/newspaper-reader-engagement-06.pdf>

## Appendix F: Custom Publishing—U.S.

### Size

Custom publishing is a type of marketing that generally takes the form of a magazine, periodical, or newsletter. Editorial content of these publications generally supports the marketing vision of the underwriting entity.

32 billion custom publications are circulated annually in the U.S.<sup>F1</sup>  
\$29.9 billion is spent on custom publications annually in the U.S.<sup>F2</sup>

### Growth Rate

Spending on custom publishing increased 29.1% to \$28.41 billion in 2005, driven by double-digit growth in spending on magazines, newsletters and tabloids. Spending on custom publishing is expanding dramatically because of the medium's ability to connect a company with its target audience on a regular basis, maintaining the company's visibility. Custom publishing rose at a CAGR of 17.0% from 2000 to 2005. Driven by new publications in a variety of formats, spending on custom publishing is expected to increase 22.1% to \$34.69 billion in 2006 and grow at a CAGR of 15.4% in the next five years. Spending will reach \$58.22 billion by 2010.<sup>F3</sup>

### Effectiveness

66% of people surveyed read custom publications.<sup>F4</sup>  
59% of 1001 surveyed adults in the U.S. purchased something after it was seen or mentioned in a custom publication.<sup>F5</sup>

### Engagement:

80% of 1,001 surveyed adults in the U.S. agreed that custom publications contain useful information.<sup>F6</sup>  
85% of those polled prefer getting information from articles over advertising.<sup>F7</sup>

### Cross Media Power

Custom publishing is a mix of print and electronic communication.

### Unique Attributes

Ability to reach highly segmented audience by lifestyle.

## Endnotes

<sup>F1</sup> Skinner, J. (2006). 2006 Annual Report, *Custom Publishing Review*. Volume 2, Number 3. Retrieved from <http://www.custompublishingcouncil.com/resources-research.asp> (registration required).

<sup>F1</sup> Ibid.

<sup>F3</sup> VSS News, Veronis Suhler Stevenson, [http://vss.com/articles/articles\\_2006/article\\_091206.htm](http://vss.com/articles/articles_2006/article_091206.htm)

<sup>F4</sup> Skinner, J. (2006). 2006 Annual Report, *Custom Publishing Review*. Volume 2, Number 3. Retrieved from <http://www.custompublishingcouncil.com/resources-research.asp> (registration required).

<sup>F5</sup> Ibid.

<sup>F6</sup> Ibid.

<sup>F7</sup> Ibid.



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