

## Myths and Truths About Advertising Effectiveness



Dramatic advertising successes — defined as a huge increase or reversal of a brand's performance due to advertising — do happen, but they are rare. Heavy competition, combined with the challenges of coming up with new, winning creative, make this task difficult (though not impossible) to achieve.

When it comes to advertising, Gerard Tellis, Ph.D., knows what works and what doesn't. For over 20 years, he has studied all aspects of advertising effectiveness as professor of marketing at the University of Southern California Marshall School of Business and in visiting positions at Erasmus University Rotterdam and the University of Cambridge. His work has been published in two books, and he has authored numerous articles in the *Journal of Marketing*, the *Journal of Marketing Research*, and *Marketing Science*.

His most recent book, *Effective Advertising: Understanding When, Why, and How Advertising Works* (SAGE Publications, Thousand Oaks, CA, 2003), is a meta-analysis of 50 years of research in the fields of advertising, marketing, consumer behavior, and psychology. In it, he summarizes the body of scientific evidence to debunk numerous myths about advertising effectiveness and lay out some well-documented findings that experts and novices may not know.

### The Myths of Advertising

"Where's the Beef?" "Just Do It." "It's the Real Thing." Some advertisements are clearly more memorable than others. But does being memorable mean they are also successful? Following are 10 myths about advertising widely believed by consumers or the public at large. Marketers, according to Tellis, perpetuate these myths when they fall back on their personal experiences or casual observation rather than on research findings.

**1. Advertising creates consumer needs.** There are more than 30 million iPods in play today. Did advertising create that need, that mass enthusiasm? Certainly, before iPods existed, consumers didn't go around saying, "For heaven's sake, would somebody pleeeeeease invent a little portable box that plays a ton of music?" They didn't know they needed or wanted portable music until it was available to them. Situations like this push marketers toward the dangerous conclusion that advertising can create a need, when at best it can be used to exploit one already emerging.

**2. Advertising's effects persist for decades.** Coca-Cola is well-known by nearly all consumers due to its longevity in the market. But is it the advertising that drives Coke's market share or is it simply that some people love the flavor? The former statement leads to the misnomer that some long-surviving brands are still around because they have been heavy and consistent advertisers, which drives a dangerous tendency to conclude that consistent advertising over an extended period of time equates to long-term brand success.

**3. Even if advertising doesn't work at first, repetition will ensure ultimate success.** The "frequency" part of the reach-and-frequency formula guides how many times consumers need to see a message to fully absorb it. As a result, if an ad doesn't resonate well with an audience, advertisers will sometimes blame lack of sufficient frequency, concluding mistakenly that more frequency will solve the problem.

**4. Three exposures are enough for effective advertising.** Speaking of frequency, there is a long-held belief that three impressions are optimal for viewing an ad, after which effectiveness of that ad drops off. Tellis attributes this theory to General Electric researcher Herbert Krugman, who theorized that the first ad would draw attention, the second would stimulate interest, and the third would push the consumer to buy. Since then, we've seen examples in which even one exposure was enough, and many others in which the optimal was considerably higher.

**5. Firms often use subliminal advertising.** Tellis feels the myth may be propagated by a general lack of trust for big business or a lack of consumers' understanding of what subliminal really means. Anyway, this practice may not be legal because the Federal Trade Commission outlawed this form of advertising in 1974.

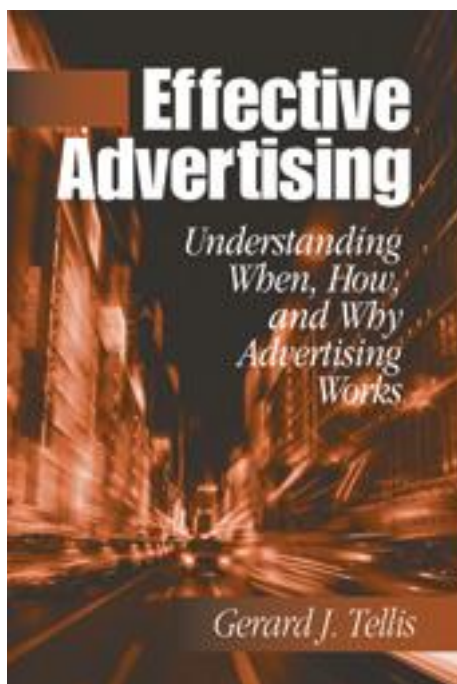
**6. Humor in advertising trivializes the message.** Humor in advertising is often weakly related or even unrelated to the brand, leaving some advertising professionals to question whether humor gets in the way of the message. In reality, humorous ads may do several positive things, including relaxing an audience, opening their mind to the message, distracting them from counterarguing, and leaving them in a positive mood. Indiscriminant use of humor, however, may do more to hinder than help the acceptance of the message.

**7. Sex sells.** Or does it? Ads centered around sex appeal draw attention, but not always positive attention that stimulates the desired perceptions or behaviors.

**8. The most effective ads offer strong, logical arguments.** This myth centers on the belief that consumers — even loyal ones — make decisions by comparing the performance or characteristics of competing brands, in which the preferred brand's attributes stand out. Sometimes true; often not.

**9. Unique creative execution drives results.** Constantly pressured to think outside the box, many advertisers (and their agencies) believe that ads must be entirely unique to capture attention. There is no scientific correlation between uniqueness of the message and sales of the product being advertised. Novelty in your message, media, target segment, product, or creative is more likely to foster sales increases than simply increasing ad intensity would. But novelty alone is not a prescription for success.

**10. Advertising is very profitable.** There is a widely held assumption that, with all the money spent on advertising, it must be very profitable, or companies wouldn't be spending such large sums on it. In reality, the huge levels of spending are more likely a reflection of continuation of past practices than superior ROI.



## Truths About Advertising

Based on all the research, Tellis has developed several conclusions about advertising's effect on sales. Here are a few.

- 1. Weight alone is not enough.** Very often, when an ad campaign is not meeting its goals, the first "fix" that comes to mind is to extend the flight length, or "weight," of the campaign. But studies have shown that increasing campaign weight is not enough to affect a change in sales, particularly in mature, saturated markets.
- 2. Advertising is a subtle force.** Research has shown that, on average, sales increase 0.1% for every 1% increase in advertising spending. Tellis calls this "advertising elasticity," and the small amount shows that advertising is a "subtle" rather than powerful force, especially when compared to price changes, which have been found to have about 20 times the impact on sales. The point is that advertising has to be carefully planned and executed over an extended period of time.
- 3. The effects of advertising are fragile.** By this, Tellis means that the effect of advertising may not be correctly measured by using the wrong analysis or method. The slightest misassumption or miscalculation can be caused by:
  - advertising's subtlety, compared with price or promotion;
  - lack of immediacy in effect; and
  - bias, caused by the fact that ads don't run in isolation, making it nearly impossible to determine whether the ad, something else, or a mixture caused a lift.
- 4. Firms often persist with ineffective ads.** There are several reasons for this conclusion, including lack of sufficient testing, fear of the effects of cutting back, and competitive pressures. In addition, ad managers may boost advertising to help spike sales to hit topline goals, or may use up unspent ad dollars rather than risk losing the money in the following year's budget. This behavior often results in running unprofitable advertising, since ad managers don't always know how effective (or not) their campaigns really are.
- 5. Advertising's effects are not instantaneous.** A portion of an ad campaign's effect can extend beyond the life of the campaign for several reasons. First, consumers take time to absorb (and trust) messages that interest them. Ads will resonate even further if they hear positive comments about them from their peers. Yet, even if interest in a product or company develops, consumers often are not motivated to make a purchase until they have a need for that item. These carryover effects allow advertisers to stop advertising for brief periods without suffering immediate sales loss. In fact, research shows that taking breaks in-between flights may work better than continuous long-term runs, and those that don't take breaks can actually overuse an effective campaign.
- 6. Advertising carryover is generally short.** Despite common beliefs that the effects of advertising are long-lasting, research shows that the carryover effects can actually be measured in weeks, days, or even hours. And while people often remember slogans, campaigns, and jingles years after they've run, there is no conclusive evidence, according to Tellis, that those memories translate into purchases.
- 7. Advertising is effective either early on or never.** Some believe that if a campaign doesn't produce results quickly, they simply need to give it more time. Research shows this strategy to be flawed, however, noting that extending the run of an ineffective campaign will not, in and of itself, improve its effectiveness.
- 8. Wear-in is very rapid, while wear-out occurs early.** Optimization is a mission-critical process for any advertising strategy today. Marketers must optimize run time, in addition to creative elements, media placement, and other variables. The increasing effectiveness with repetition due to increasing awareness, trial, and purchase is called "wear-in." Once over that threshold, consumer saturation sets in, also known as "wear-out." This occurs anywhere from six to 12 weeks after campaign launch. It can happen as quickly as the very start of the campaign. In general, the faster the threshold is reached, the more rapid the descent. If it is slow and steady, wear-out will be slow and steady as well.
- 9. Hysteresis is very rare.** "Hysteresis" — the lingering effect on sales after a campaign is suspended — is rare, but does happen. This is more likely when the advertised product is far superior to those already on the market; the campaign uses a novel approach, or word-of-mouth marketing — primarily from the press — creates a domino-like pass-along effect. In the latter situation, the ad simply seeds the process, which then multiplies on its own accord.
- 10. Emotion may be the most effective appeal.** The three most common types of appeals are arguments, emotions, and endorsements. Emotional appeals tend to do a better job of cutting through

the clutter and getting attention; they require less viewer concentration than the other forms; and tend to be more vivid and better-remembered than other types of appeals. In addition, most viewers have the same kind of reaction — there is no counterargument — opening the door for a more immediate call to action.

**11. Advertising is more effective for new products than for mature ones.** Heavy competition may push mature products to overadvertise, causing consumers to tune out. New product messages, on the other hand, can be refreshing, generating more interest. In addition, competition for new products may be light, making the ads stand out more.

**12. Advertising affects "loyals" and "nonusers" differently.** It takes less advertising to generate a response out of an already loyal customer than it does to capture the attention of new customers. The paradox is that loyals are likely to become saturated more quickly with repetitive ads for a brand they already prefer, while nonusers require higher ad frequencies to attract their attention.

### Putting Tellis' Conclusions to Use

As busy as managers are today, it's easy to get confused between the things we know and the things we think we know. Tellis' conclusions, dispassionately derived from careful study of more than 50 years of valuable insight, help us step back and put our strategies in perspective. They also persuade us to question our advertising methods, processes, and thinking to ensure they're on the right track. Using some of the observations above to critically question advertising strategies and plans can only help improve the results — even if you disagree with Tellis' findings relative to your specific circumstances.

A checklist such as this can also be very helpful in developing a framework for parsing out the critical metrics for measuring the success of your advertising, and demonstrating to the rest of the organization that the advertising campaigns are well-vetted and planned to minimize the most common failure risks.



This article was adapted from *Effective Advertising: Understanding When, How, and Why Advertising Works* by Gerard J. Tellis, Ph.D. Published by SAGE Publications.