THE MANAGEMENT AND USE OF ADVERTISING RESEARCH

An increasingly complex and competitive world is creating two partially conflicting states among managers. The first of these is an increased need to be alert to the voices—the intentions and behaviors—of a wide array of stakeholders in the marketplace. This, in turn, requires managers to make more and better use of information, particularly information for developing alternative responses to actual and probable customer and competitor behaviors. This need or requirement is rooted in many conditions, a few of which will be noted.

Hearing the Voice of the Market. First, improvements in the availability of quality and timely information are making essentially the same information available at the same time to all competitors. This condition means that competitive advantage is to be found more in how market information is used than in who has it. Second, the time available for making, implementing, and evaluating decisions is getting shorter. This condition means that information guiding thinking about alternative actions has to be available more readily and be more easily translated into actions. Finally, information that helps create alternative actions is needed at all levels of the firm and by all functional areas. This information can then be used to reconcile differences in viewpoints about the market that often arise between different functional areas.

Ignoring the Voice of the Market. While the need to make more and better use of market information is increasing, there are increasingly prominent forces inhibiting its acquisition and/or its effective use. Thus while more sensitivity to the voice of the market is needed, other conditions are decreasing this sensitivity. These forces exist despite the large volume of available information and technologies for its effective use.

One inhibiting force is the 90-day syndrome. This syndrome is expressed by the managerial tendency to confine thinking to the current quarter, if that. As a research director at a major consumer package-goods firm put it, "... 90-days is charitable, most of our brand managers are 30-day thinkers." This syndrome not only distracts managers from more strategic questions requiring more thinking about research but also focuses managers' attention on evaluative research to the detriment of developmental research. Second, improvements in the ability to access and process more information often overwhelm managers and a form of reactance occurs in which much less information is used. Improvements in the technology for accessing information also increase the opportunity for managers to misuse information. This raises the critical issue of who controls the data, researchers or users. A final force that inhibits the effective use of
information is the changing status of the research function within organizations. More and more firms are contracting out for research expertise (other than data collection and tabulation) rather than maintaining in-house expertise. This, too, can significantly decrease the use of information.

We suggest that firms need to do more developmental research and that much of their evaluative research is improperly focused and consequently less helpful than it could be. These observations are most evidently correct with respect to advertising research but are also accurate descriptions of other marketing research practices. It is also suggested that firms have more rather than less need for a marketing research function and that advertising research should be conducted as part of an overall program of marketing research. First, however, we shall discuss three types of research used by organizations.

**Types of Research**

It is useful to distinguish among developmental, confirmatory, and evaluative research. Developmental research is exploratory in nature. It helps identify various options and uncover potentially important factors for further consideration. For example, developmental research is used to uncover alternative product concepts and positioning strategies as well as alternative advertising strategies for conveying particular messages. Commonly used tools include focus groups, unstructured interviews, and observational techniques. Developmental research is as much an attitude as anything else. It involves being prepared to see unexpected things. For this reason it can be likened to scouting in which the researcher scouts for potentially important features of the marketplace such as a special buying motive or a previously overlooked customer segment to be examined in a subsequent, more detailed study.

Confirmatory research is intended to show how sound particular options are. For example, confirmatory research is used to show the relative impact of two or three creative executions in advertising copy, the relative attractiveness of alternative package designs, or to show whether a previously untapped market segment is or is not a viable target market. Surveys, behavioral laboratory tests, and field experiments are among the many tools commonly used in confirmatory research. Too often, confirmatory research is narrowly focused to show that a single option is or is not a good one. It thus serves as a last minute form of insurance—to make sure that a major mistake is not about to be made. In many of these instances a confirmatory bias occurs. This is a bias toward obtaining research results that support the action being considered. This bias is often reflected in the research methodology and in the interpretation of research results. Absent are equal opportunity methodologies in which a research design (including questionnaire design) allows all possible outcomes—good news as well as bad news—an equal chance of showing up. One manager at a research company described this confirmatory research practice as, “Using a lightpost for support rather than for illumination.”

Evaluative research assesses the effectiveness of certain strategies and tactics after they have been implemented. Examples of evaluative research include day-after recall and other brand recognition measures, market share changes, coupon redemption rates, customer satisfaction surveys, brand loyalty studies, and so on. Evaluative research can tell you how well a strategy or tactic is working relative to some objective, what adjustments might be necessary, and how you are doing relative to specific competitors. It does not tell you that the best action was or was not chosen.

Confirmatory and evaluative research are trapping activities compared to the scouting activity of developmental research. In this way, confirmatory and evaluative research are designed to capture fairly precise and predetermined effects in the marketplace and consequently are not designed to capture other effects or occurrences. Some research users rely on developmental research to satisfy their trapping as well as scouting needs. For example, managers may sometimes use just one or two focus groups to conclude that specific product attributes, customer attitudes, and so forth are important or prevalent for the target market as a whole. Similarly, some managers rely on confirmatory and evaluative research for both their scouting and trapping needs. A scouting effort can, of course, provide conclusive insights just as a trapping effort can provide potentially important and unexpected insights that need further study. In fact, the dividing line between types of research is often unclear. The error occurs when managers rely exclusively on just one kind of research to
satisfy both trapping and scouting needs.

This article focuses on certain practices with respect to developmental, confirmatory, and evaluative research. First we will comment on client companies’ neglect of developmental advertising research. Next we will comment on certain additional practices with respect to evaluative advertising research. And then we will make specific recommendations for the use of developmental and evaluative research, particularly from the client company’s perspective. Both our descriptive and prescriptive ideas are drawn from 170 interviews with key executives and researchers in advertising agencies, client firms, and research organizations.

Methodology

Face-to-face interviews were conducted with 93 people while telephone interviews were conducted with an additional 77 people. Table 1 summarizes the distribution of these interviews by type of organization. A total of 170 people were interviewed representing 94 organizations.

Interviewees were key people chosen from the largest advertisers, the largest advertising agencies, and major research or consulting firms. Additional people were identified by various experts as being particularly insightful, and every effort was made to interview these key informants. Very few people declined to participate. Those interviewed were very generous with their time. Interviews often exceeded an hour and many lasted close to two hours. Telephone interviews generally exceeded one half hour and often continued for an hour. In 44 percent of the face-to-face interviews a second interviewer was present. In some instances a second or even third person was present from the interviewee’s organization. A copy of the general list of issues/questions we developed concerning the use of marketing research, especially advertising research, was sent in advance to respondents. Certain issues/questions were flagged as being of special relevance to the particular respondent. The face-to-face interviews were relatively unstructured whereas the telephone interviews were more structured.

The Neglect of Developmental Research

There are differences in doing research to find out:

(1) What the right thing to do is, e.g., concept development and positioning research (developmental research)
(2) How to go about doing it right, e.g., copy development and testing research (developmental and confirmatory research), and
(3) Whether you have done it right, e.g., brand recognition studies and persuasion scores (evaluative research)

It is difficult to assess exactly how much thinking and money are typically allocated for research for each of these purposes. In order to learn this it would be necessary to focus on specific advertising campaigns and their budgets whereas our efforts focused on basic processes and practices. Other studies have shown that with respect to other marketing issues most research is confirmatory and evaluative rather than developmental (Deshpande and Zaltman, 1982). This also appears true of advertising research. Most client organizations devote the majority of their attention and advertising research budget to evaluative research. On the other hand, the main thrust of an agency’s research effort is developmental with respect to concepts and themes and confirmatory with respect to copy testing. Even so, when looking at agency and client research efforts together, evaluative research efforts dominate.

Clients acknowledged that their primary attention (and direct funding) goes to evaluative research. Agencies complained strongly about this. Both groups often mentioned that 75 percent, 80 percent, 90 percent, or even more of a client’s advertising research budget and, more significantly, its attention goes to evaluative research efforts. According to one agency research director:

The reason so much money and effort goes into evaluative research is that [client] re-

<table>
<thead>
<tr>
<th>Table 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of Interviews</td>
</tr>
<tr>
<td>Type of company</td>
</tr>
<tr>
<td>Client firms</td>
</tr>
<tr>
<td>Advertising agencies</td>
</tr>
<tr>
<td>Research/consultant firms</td>
</tr>
<tr>
<td>Total interviews (number of firms)</td>
</tr>
</tbody>
</table>
searchers and managers tend to be tacticians, not strategists; they want numbers, not ideas.

Some clients pay directly on a cost-plus basis for all developmental research done by their agency. Still other clients pay directly for a specified proportion of this work while the advertising agency pays its share out of the general funding from their client. In many other instances no specific arrangements exist except for the understanding that the agency will find the funds within its own budgeting process to do the necessary developmental research. A few cases were reported where the agency undertook an important developmental project that had not been anticipated, even though the client refused to pay for it. Some instances were also found where agencies did developmental research without their clients' knowledge of it.

The issue of who pays for research or how they do so is of importance only because it is an indicator of client involvement in the research.

The issue of who pays for research or how they do so is of importance only because it is an indicator of client involvement in the research. Using this and other indicators, it appears that most clients are not nearly as involved in developmental advertising research as they are in evaluative advertising research or nonadvertising confirmatory research.

The Paradoxes of Evaluative Advertising Research

Advertising campaigns are evaluated in a number of ways. Many firms rely on very specific, often short-run measures such as awareness, day-after recall, gross rating points per dollar, recognition, comprehension, and persuasion scores. For some firms, longer run perspectives consist of studies which track short-run measures over time. Other longer term measures, such as enduring changes in customer attitudes and preferences, changes in brand loyalty, changes in how customers evaluate a product relative to its substitutes, and so forth, are sometimes used as well. Changes in various scores are often evaluated in terms of a particular norm or the attractiveness of a trend line. Additionally, many firms evaluate advertising in terms of quarterly sales and market share performance.

We found a number of important contradictions or paradoxes concerning the use of evaluative research among client companies. First, there is recognition among agencies and clients that very short-run measures are not good indicators of the longer run or even near-term impact of an advertising campaign. Moreover, uncertainty also surfaces about their real meaning even in the short run. Even so, very short-run measures are still important statistics for clients to collect. Thus, while many clients say that such measures are not particularly useful, they seem to devote considerable attention to them.

Second, many managers feel strongly that advertising can be directly related to significant changes in quarterly market share and sales. Changes in these kinds of data are therefore used to evaluate advertising effects. However, several of these same managers also said (when discussing a different topic) that advertising and marketing research budgets are the first to be cut when unfavorable market share and sales are expected for a particular time period. Therefore, although advertising is considered to be important in affecting market share and sales, advertising budgets get cut first when these indicators are falling.

Third, some client companies have specific statements of short- and long-run objectives for advertising. However, many more client firms do not. In nearly all cases where formal objectives are not specified, managers indicated something to the effect, "...but we really should be doing that." Suppliers speculated that the development of objectives takes more time than brand and senior management people are willing to allocate. These suppliers also commented that senior management will use the failure to meet advertising objectives to not only "beat up on" an agency but also to bruise their own brand or product managers. Therefore, brand managers and perhaps agencies as well, not wanting to look bad, remain elusive on advertising objectives.

Agency personnel agreed that many firms do not have specific objectives. According to one agency research director, only one of its many clients had clearly specified advertising objectives. Similar conditions were described by researchers at other agencies. At the same time, agencies do not appear to encourage their clients to develop specific objectives or even to develop objectives for their own use. Agencies seem to tolerate client objectives where they do exist and seem resigned to having clients use short-run evaluative measures. However, there was no passive resignation when expressing opinions about these client practices. Clients' evaluative practices epitomize much of what agencies find least attractive about their clients: reliance on
short-run measures of effect, eagerness to have a specific number, and risk averseness. To the extent that other short-run, numbers-oriented, “safe” evaluative measures are used, these same ill feelings are generated and the value of more informative diagnostics and other developmental research minimized.

There is another interesting example where clients know one thing and then proceed with a contradictory practice. In some instances, client personnel expressed the idea that the contribution of advertising is largely through its interactions with other marketing decisions. That is, the major contribution of advertising is in its enhancement of the effectiveness of nonadvertising mix elements. Similarly, the quality of other marketing mix decisions can enhance or inhibit the impact of advertising.

Many agency people also expressed these ideas. In fact, a few client, agency, and research firm personnel provided highly articulate statements about these interactions and their importance. At the same time, most client companies devote considerable effort to evaluating the unique effect of advertising, i.e., the effect of advertising when all other things are held constant—even though this never occurs. Agencies participate in this practice also. Rarely was it mentioned that the development of an advertising campaign, and seldom the overall advertising strategy, was done by taking into account distribution, product, pricing, and nonadvertising promotional strategies and tactics. Interestingly, some agency personnel do become involved as advisors to their clients for other decisions. A few cases were reported where advertising, product, distribution, and pricing strategies were developed in a coordinated way. In fact, many agencies are now offering a broad array of marketing services with the intent of helping this coordination.

Recommendations for the Management and Use of Research

We now turn to specific recommendations for the management and use of research. The recommendations pertain primarily to client organizations, although agency and research firms need to be sensitive to them as well. Before presenting the recommendations, we would like to discuss an important and certainly arguable assumption underlying these recommendations. This assumption concerns a client’s responsibility for research. Our position with respect to this assumption is itself a recommendation.

Responsibility for Research.
The behaviors of various firms imply very different assumptions about who should have primary responsibility for advertising research, especially developmental research. Many firms essentially abdicate this responsibility to other organizations, particularly their advertising agencies. Still other firms retain primary responsibility and may even discourage participation by their agencies. There are various other arrangements which fall between these two alternatives. The position that we advocate, which is the basis for subsequent recommendations, is that client organizations should assume primary responsibility for the conduct and use of both developmental and evaluative advertising research.

This means much more than deciding whether, how, and by whom research is conducted and what is done with it. Having primary responsibility is more a matter of attitude and thinking rather than technical authority. It means that the client is intellec-

tually active and engaged along with agency and research organization personnel in developing and using research. This will create more synergy between developmental and evaluative research and between advertising and other elements of the marketing mix. We feel that under this arrangement both agencies and clients will perform better and produce better advertising programs. These and other related sentiments are reflected in the following comment from a research firm:

Responsibility for developmental work should be with the client because it’s important to fit the individual brand or service into the corporate image or strategy and the client is in the best position to speak about the limitations and legal problems of brands. Agencies are quick to say, “Let’s change the product!” If the agency is responsible for the communication strategy, then it tends to get developed along the lines of the agency’s specific style. More often, the strategy gets lost in the agencies’ desire to be creative.

The fact that the client has primary responsibility does not mean the agency only reacts to client ideas or plans. To the contrary, the agency should show considerable initiative in proposing, shaping, and interpreting developmental and evaluative research. However, the client should be the organization to whom outside research organiza-
tions report and with whom they maintain contact.

If the client has formal responsibility for developmental research, it is more likely that basic thinking and research about a product's underlying concept and its positioning strategy will enter into all marketing-mix decisions. When this occurs, developmental advertising research will be an integral part of an overall program of marketing research for the benefit of all marketing mix decisions.

**More Developmental Research.**

Client companies should devote substantially more effort to developmental advertising research even if this is at the expense of their evaluative research. A researcher from a very large client company which does its own developmental advertising research as well as copy testing noted:

As important as creative execution is, concept development and general strategy are still more important and for that reason we invest heavily in developmental research prior to copy testing.

In fact, most advertising research should be developmental. A company that focuses primarily on evaluative research may not be learning enough about the right things to do or how to do them right. Also, in today's complex world there may be many right things to do. The task then becomes one of selecting the best option from a set of good alternatives. One respondent suggested that the client practice of devoting so much attention to evaluative research should provide the kind of comfort,

... a patient would have going into major surgery knowing the 85% of the surgeon's training was devoted to learning how to assess the success of the surgery and only 15% to learning how to do it.

Developmental research can increase significantly the prospects of capturing a set of good options and for selecting the best of these. Some forms of developmental research are concerned with identifying an array of feasible options for, say, the repositioning of a product or service. After a preliminary culling of these options by management, further developmental research may be done to provide more information about the remaining options. For example, management may want to explore further how the two most attractive options complement other marketing strategies already in effect. These developmental efforts substantially increase the likelihood of choosing the best of the two repositioning strategies. Of course, neither developmental, confirmatory, nor evaluative research guarantees the selection of the right thing to do or the selection of the right way to do it. The actual selection process is still a matter of managerial judgment however much it may be enlightened by the research process.

**Integrating Advertising Research into an Overall Program of Marketing Research.** Much developmental research focuses on product concept and positioning issues. It involves understanding customer needs, selecting a product concept that addresses those needs, and finding ways of conveying to customers how the product is unique in satisfying those needs. This type of effort is central to all advertising mix decisions. It is not unique to advertising which is only a subcomponent of one element (promotion) of the marketing mix. Much of the thinking and research that helps develop advertising programs should also guide other marketing mix decisions.

Similarly, evaluative advertising research should be part of an organized program which systematically evaluates all marketing strategies and tactics. As noted before, one reason for having client responsibility for developmental and evaluative advertising research and for having this activity located within the marketing function is that it enhances the likelihood of achieving favorable synergy among all elements of the marketing mix. That is, it increases the likelihood that information gained from research about distribution, for example, which is also relevant to promotion will be shared with those involved in making promotion decisions. More importantly, under the recommended arrangement, there can be better coordination among all marketing mix strategies and tactics so that each is more effective than when they are developed and implemented independently.

**Focusing Evaluative Research.**

The primary focus of evaluative advertising research should be on customer comprehension of the basic theme of an advertising campaign. Specifically, evaluative research should address three questions:

1. Does the advertising campaign enhance customer understanding of the concept behind the product?
2. Does the advertising improve customer understanding of how the product is uniquely related to their needs?
3. Does the advertising campaign help lessen specific barriers to an exchange between the firm and its customers?

These are also the primary criteria for evaluating other marketing decisions. Unless these other decisions are also evaluated, it makes little sense to spend the resources that many
companies do on evaluative advertising research. Because of the impact of other marketing decisions on advertising effectiveness, the measured effects attributed to advertising may really be indirect measures of the effects of other marketing actions.

**Focusing Developmental Research.** Given the focus of evaluative research, it follows that developmental advertising research should focus on:

1. Finding ways of expressing the basic and distinctive concept behind a product
2. Finding ways of relating that concept to important customer needs, and
3. Identifying special barriers to buying that can be addressed by advertising

Developmental market research is also an essential activity for identifying new-product opportunities as well as identifying the need to change strategies for current products. It is essential, for example, for learning how customers perceive or understand a product in terms of its relevance to their needs and preferences. This is the product's concept. It is essential, too, for learning how customers understand a product in terms of the relative differences among competing products. This is a product's market position. Developmental research is essential for selecting concepts and establishing a specific market position. Similarly, it is also important for knowing when and how to elaborate and fortify product concepts and positions. This type of research is basic to the development and implementation of an effective marketing program.

Agency involvement in this research is essential since their primary expertise is in the creative translation of (1) what the firm establishes as a product's basic concept and its relevance to customers into (2) a message customers can understand and relate to. Developmental advertising research is a translation tool to be used along with other tools in developing advertising.

Clients, agencies, and research organizations provided many clues suggesting that developmental advertising research is sometimes used to find a unique basic concept for a product and to find relevant customer needs. This appears to be the case for both newly developed and established products. Developmental advertising research should not be the primary occasion or vehicle for this type of information. The problem becomes still more serious when this happens by default, i.e., it isn't programmed to occur in any other way. Developmental advertising research should focus on how to better communicate a given product concept and position. Advertising should communicate this concept and position in concert with other marketing mix activities since concept and positioning changes can seldom be achieved satisfactorily through advertising alone. The decision whether changes in product concept or positioning are desirable should be made prior to the development of an advertising campaign, not during its development. Clients ought not to relinquish to agencies the responsibility for making concept and positioning judgments.

**Discussion and Conclusion**

This article has recommended that: (1) firms should do much more developmental advertising research, even if this requires curtailing some evaluative research; (2) evaluative advertising research should assess: (a) how well advertising helps customers understand the product or service concept, (b) how well customers perceive the relationship of this concept to their needs, and (c) whether advertising has helped reduce other barriers to transactions; and (3) advertising research should be part of an overall program of developmental and evaluative client research for all marketing mix variables. These recommendations must be considered in light of certain trends and conditions affecting their implementation and importance.

One trend among client organizations is an increasing reliance on outside organizations for research expertise. That is, quite beyond the contracting out for data collection and tabulation services, many firms are relying more and more on their advertising agency and on research firms to provide methodological, statistical, and interpretive expertise. This is in lieu of having their own in-house expertise. Client research staffs are disappearing in some cases or becoming smaller in others, often consisting of a single person having other responsibilities and who may consequently function largely as a purchasing agent. Advertising agencies and research firms encourage this trend by their willingness and even eagerness to expand their roles to provide research and other marketing expertise to their clients. The concept of one-stop shopping for all marketing needs is beginning to raise critical questions about the role and importance of a firm's internal marketing function.
The divesting of research expertise is occurring in the face of another development (noted earlier) which paradoxically suggests that firms ought to have more, not less, internal research expertise. Today, as markets and competitive situations become increasingly complex and dynamic, firms must be sensitive to the “voice of the market.” That is, they must be attentive and responsive to what customers, competitors, dealers, suppliers, and many other stakeholders in the marketplace are saying. These voices need to be heard at all levels and throughout all functional areas of the firm. This is essential if firms are to become market-based organizations. An internal research staff has an important role in conveying the “voice of the market” to appropriate managers.

The third development is the emerging realization that a firm’s marketing mix ought to be truly integrated or coordinated and that research can play a special role in achieving and evaluating this effort. While the term “marketing mix” is in common use, there is seldom any planned mixing going on. As one of the acknowledged agency leaders in advertising research told us:

The question of how to integrate the marketing mix and how research can be used to guide and evaluate this effort will be the most important issue facing marketing managers over the next decade. They are finally beginning to understand that just giving lip service to this task is costing them.

As managers begin to focus on the integration of marketing mix variables, more attention will need to be given to developmental research. Developmental research provides managers with alternatives for each of their major marketing decisions. Having many alternatives increases the likelihood of finding a subset of complementary decisions. Developmental research can also provide important clues about the ways in which marketing decisions should complement one another. Moreover, managers will have to work harder in translating research results into pricing, distribution, product, and promotion decisions.

Given the need for firms to pay more attention to what various stakeholders are saying, especially customers and competitors, and given the need to better integrate the diverse pieces of the marketing mix puzzle to improve marketing programs, it is unfortunate that some firms are downsizing with respect to their own research expertise and relying on others for it. This practice, of course, does have certain merits. Agencies and research organizations do have outstanding expertise. Also, there may be some cost savings, especially for firms that conduct formal research infrequently. However, two basic concerns were expressed by respondents which may offset these benefits.

The first concern (as discussed earlier) was that insights from developmental advertising research that have important implications for other operations within the firm or for other aspects of the marketing mix are unlikely to be applied to these other areas. The outside researcher is unlikely to be aware that a situation exists in the client firm for which these insights are relevant. Consequently, potentially valuable information is not shared with the appropriate decision makers. A second concern was that it is more difficult for managers to develop trusting relationships with outside researchers. This is particularly true when there is little continuity among outside researchers with whom the manager works. The proximity of an in-house research staff, on the other hand, facilitates the establishment and maintenance of manager-researcher trust because of the more frequent interactions and the likelihood that researchers will be readily available to decision makers in times of need. As we note elsewhere (Zaltman and Moorman, 1988), the presence or absence of trust is one of the most important factors affecting the use of marketing research. Trust between users and researchers can increase the quality of questions users ask, their willingness to try new methodologies, the actionability of research products, and, consequently, managers’ use of research.

References
