

# **The IPA (Advertising) Effectiveness Awards**

**1980 – 2002:**

## **A Reflection of Non-Marketing Advertising**

**Pattra Tangthieng**

**A thesis submitted for the degree of Doctor of Philosophy**

**Department of Film, Media and Journalism**

**University of Stirling**

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## **Abstract**

Theoretically, advertising has been regarded as a marketing communication; that is, advertising is subsumed under marketing. However, this thesis deconstructs the existing theories and argues that advertising historically was not a marketing tool due to practical conflicts within the British advertising industry. Field work was conducted by means of interviews in addition to document research of publications by practitioners. After the Second World War, marketing people in Britain adopted the modern marketing concepts from the US where marketing and advertising people used the same principles and practice of advertising. The thesis traces back to fundamental concepts in social sciences such as economics, sociology and psychology that marketing and advertising people applied to their disciplines. Then, relevant historical backgrounds including the history of advertising agencies, market research and account planning are explored. They indicate that advertising was not part of marketing communications but rather located between marketing and communications. The application of various social sciences and the historical backgrounds govern British agency people's practice of advertising research during the 1960s and 1970s. They used research to explain advertising effectiveness in terms of both communication and sales. However, they found some disagreements between their concepts and that of marketing people in their client companies. They felt more frustrated when clients and research companies used scientific principles and practice in measuring advertising effectiveness. The 1960s and 1970s events led to the origin of the IPA (Institute of Practitioners in Advertising) Awards in 1980. The IPA Awards were in fact the consequence of the past as they tried to maintain their stance of developing advertising effectiveness theories as opposed to those of clients and research companies for two decades. However, as the Awards grew and became one of the most

recognised award schemes in the industry, they were used by agency people as a tool to increase their agencies' reputation rather than a demonstration of advertising effectiveness.

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## Introduction

Effectiveness awards gain less attention from people in the advertising industry than creative awards. It can be shown by the fact that compared with hundreds of creative award schemes, there are two main effectiveness award schemes in the world, that is, the IPA (Advertising) Effectiveness Awards in Britain and EFFIE Awards in the US. Other effectiveness awards such as CASSIE in Canada or AFA Awards in Australia have the IPA Awards as the prototype while EFFIE Awards expand internationally by selling the franchises. In theory, effectiveness should be more important than creativity. The former demonstrates the success of the campaign by elaborating every element of the campaign that causes the success while the latter is a part of it. In practice, it is surprising to find the opposite of the theory.

Most studies about advertising awards have creative awards as samples and focus on being an award scheme in one way or another, for example, using the awards to promote advertising agencies. There is nothing wrong to study effectiveness awards in the same way and choose the IPA Awards as a case study. But the history of the IPA Awards shows something more than superficially being an award scheme. The origin of the Awards in 1980 extremely contrasted with what happened in 2002. It is surprising to know that the Awards tried to keep its identity for two decades until the radical change in 2002. It leads the thesis to investigate the value of the Awards that lies underneath being an award scheme. As a consequence, most of the content of the thesis is spent for describing the value of the Awards that defies the existing theories. Then, the Awards themselves are described in the last chapter as the tip of the iceberg.

The thesis begins with general overview of advertising awards related to the study such as effectiveness awards, creative awards and a small award scheme in Britain called

APG Awards. The creative awards and the APG Awards are chosen because they are alternatives to the IPA Awards. The first chapter also includes literature review on advertising awards and the interesting point in the IPA Awards that leads to research questions and the research methodology in Chapter 2. Chapter 3 gives the reader two perspectives on advertising according to its definition: marketing and communication perspectives. The communication perspective is divided into two schools: scientific and critical schools. The communication scientific school is compatible with the concept of marketing management. Both are the dominant paradigm in the US. The critical school which has been developed from the artistic character of messages was ignored in studying advertising management until the beginning of the IPA Awards. Details of the critical school are described in Chapter 6.

In Chapter 4, the historical backgrounds of advertising agencies are explored. They include the agencies' contribution to market research and differences in the organisational structure between agencies and manufacturers, the agencies' clients. The contribution to and expertise in market research by agencies have been underestimated. Under the thought of advertising as a marketing tool, it is always assumed by clients that the nature of agencies' business would be similar to theirs. But the products sold by clients and agencies are different; that is, the clients sell goods while the agencies sell communications. The difference leads to setting up the account planning department in agencies. Based on the fact that agencies are communication business, the media component of advertising campaigns is discussed in Chapter 5. Agencies apply the economic knowledge of efficiency into media planning. Media planning gains less advocacy from communication studies than economics and marketing. Media planning involves the advertising budget but the conflict arises when agencies try to be the decision maker of it instead of clients. While media planners can show their effective use of the

budget and media that causes sales, creative people find it difficult to prove the efficiency of advertising messages. Measuring the effectiveness of advertising messages is in Chapter 6. It explores the conflicts between the American concept of advertising effectiveness influenced by the scientific communication school and the British difficulties to apply it into practice. The scientific communication school might accompany the marketing concept in the US but the British agencies disagree. As creating advertising messages relies heavily on the humanities and art, measuring message effectiveness should not borrow from the scientific school of communication. Here, the critical school, as the alternative paradigm, offers research methodologies beneficial to measuring message effectiveness.

The last chapter shows the excellent competence of the IPA Awards' founders in combining science from the media part with art from the creative part of advertising. The IPA Awards demonstrate such combination under the name of 'the value of learning'. Unfortunately, the Awards' contributors do not address it explicitly to both their agency peers and the client community. It leads to misuse of the Awards among agency people when they enter them in the hope of promoting their organisations. It also leads to clients' disbelief and reluctant cooperation in the Awards as their concept is based the scientific marketing concept. Without realising the authentic value of learning, the history of the Awards shows that the Awards committee tended to decrease the value of learning and increase the importance of being an award scheme. And without realising the authentic value of learning that distinguish the IPA Awards from other competitive awards – either the EFFIE Awards, creative awards or the APG Awards – the IPA Awards found it difficult to keep them alive in the award arena. As the author of the thesis, I am therefore revealing such value that in fact has made a great contribution to the development of advertising theories.



## **Chapter 1**

### **Overview of Advertising Awards**

Professional awards are an honour and prestige not only for economists such as the Nobel Prizes or film makers such as the Oscars but also for advertising agency people. There are very few directories about advertising award schemes and no single official one that can describe all advertising awards in the world. It is because there are a huge number of awards that occur and increased every year. Some directory websites such as Adslogans (2005), About Advertising (New York Times, 2005), and The Award Bureau (Anon, 2005) name not more than twelve advertising related award schemes. Directories such as Yell give 20 names of awards (Yell Group, 2005). The number is nearly equal to that given by the University of Texas at Austin (2007). Probably, the most reliable resource would be AdForum (Maydream, 2007a, 2007b, 2007c, 2007d, 2007e, 2007f, 2007g, 2007h, 2007i, 2007j). It gives 63 advertising award schemes running from 1999 to 2007. The number of 63 indicates the fact that awards have become a popular event for advertising people. AdForum also shows that there are approximately 40 award schemes held from March to December 2007 and in some months about seven to nine schemes within a month. Therefore, it is interesting to investigate the advertising awards.

Very few award schemes can be counted as global although most of them claim to be. American awards such as Clio Awards or One Show might be well-known in the West but might not in the East where Asia Pacific AdFest is more welcomed. It does not mean that discrimination occurs in the awards but that advertising people choose to enter the award scheme they can see the potential to win. It can be said that most of the advertising awards are national or regional. In the UK, there are a few recognised advertising awards such as London International Advertising Awards, D&AD (Design and Art Direction)

Awards, British Television Advertising Awards and the IPA (Advertising) Effectiveness Awards. The majority are those for creativity in advertising. It has been accepted that creative awards have long been targeted by agency people. It might be because creativity is the heart of agencies' work in the sense that it demonstrates agencies' uniqueness which distinguishes them from clients' or research companies' task. Creative awards are therefore the place for agencies to celebrate 'the beauty of their advertising messages'. Usually, creative awards are divided into media types such as television, radio, press or outdoor. Entrants have to submit selected advertisements by medium which will then be judged and, if successful, awarded prizes. More recently, other departments in agencies also think about being recognised; award schemes for media planning and buying or account planning thus emerge. Today, advertising awards might include other relevant marketing communication activities such as sales promotion and direct marketing to make competitions for integrated campaigns.

To create a competition, any award scheme generally has a formula. The primary component consists of a) entering the competition which consists of entry categories and entry requirements and b) judging the entries which consists of judges, judging criteria and prize structure. The secondary component consists of activities such as gala dinner ceremony, publicity and training like seminars and workshops. Both components are the basis of analysing the structure of advertising awards and will be used again for the extensive analysis of the IPA Awards in the last chapter. In this chapter, one creative award scheme, one account planning award scheme and one effectiveness award scheme will be described on the basis of the two structural components of award competitions. These award schemes are the main competitors to the IPA Awards and will be referred again in the last chapter. For the IPA Awards, this chapter gives the reader the brief background of the Awards. Critical news about the Awards, particularly the radical

controversy over whether or not to change the Awards from advertising to marketing communication in 2002, are also given as they lead to the extreme contradiction between the original aim of the Awards in 1980 and the new change in 2002. The contradiction will be raised as a research question in the next chapter.

### **Cannes Lions International Advertising Festival**

Cannes Lions are creative awards that call themselves a ‘festival’ because they are a huge event that operates both primary and secondary award competition components within one whole week in the city of Cannes in France. Their objective is to promote “creativity in communication” (International Advertising Festival, 2007a, 2007d). They were begun in 1954 by a group of worldwide cinema screen advertising contractors (SAWA) who were inspired by the feature film award ceremony at the same place – Cannes International Film Festival. They named the advertising award ceremony similarly, the International Advertising Film Festival, as only TV and cinema advertisements were accepted as entries. In 1992, the organisers included other media such as press and outdoor advertising and changed the awards’ name to the International Advertising Festival. Cannes Lions are now held every year (International Advertising Festival, 2007b). It should be noted that people who administer Cannes Lions are not one organisation but pooled organisations under a commercial name ‘the International Advertising Festival Limited’ (International Advertising Festival, 2007n, 2007o, 2007p, 2007q, 2007r, 2007s, 2007t, 2007u, 2007v).

Cannes Lions divide entry categories into two parts: sections and categories. The nine sections consist of Film Lions, Radio Lions, Press Lions, Outdoor Lions, Cyber Lions, Media Lions, Direct Lions, Promo Lions, and Titanium and Integrated Lions

(International Advertising Festival, 2007e, 2007f, 2007g, 2007h, 2007i, 2007j, 2007k, 2007l, 2007m). The first four categories are the demonstration of creativity in traditional media and the fifth category is that of creativity on the internet. The sixth to the ninth categories are added to recognise the importance of specialist agencies related to advertising or other departments in advertising agencies such as media planning and buying, direct marketing, sales promotion and integrated marketing communication, respectively (International Advertising Festival, 2007n, 2007o, 2007p, 2007q, 2007r, 2007s, 2007t, 2007u, 2007v). I shall call the first to fifth categories as Creativity-by-Medium Lions and the sixth to ninth categories as Other-Field Lions. Creativity-by-Medium Lions reflect the original purpose of this award scheme that wants to promote creativity by creative people. Other-Field Lions are supplementary. Because Cannes Lions focus on creativity, the recognition of other advertising related fields is designed to show creativity in strategy or ideas. It reflects the fact that ‘creativity’ has become widespread among not only the original creative people but also other departments or fields. They want to be ‘creative’ as well.

Each section contains categories except Titanium and Integrated Lions. Film, Radio and Press Lions have one category for each section while the others have more than one. Within each category, codes are used to represent sub-categories. For example, in the Outdoor Lions section, A means the Product and Service category; B is the Ambient category; and C is the Point of Purchase category. Then, the Product and Service (A) category is divided into sub-categories by numbers. For example, A01 means savoury foods; A02 is sweet foods and snacks; and so on. They can range from food, clothes, cars, cosmetics and home appliances to restaurants, banks, insurance, travel and sport as well as corporate image, non-profit organisation and business-to-business advertising (International Advertising Festival, 2007e, 2007f, 2007g, 2007h, 2007i, 2007j, 2007k,

2007l, 2007m). When all of the sub-categories are summed up, there would be approximately 230 sub-categories. As the Festival organiser awards Gold, Silver and Bronze for each sub-category and the Grand Prix for each category, there are approximately 700 Lion trophies to be won. A large number of entry categories and sub-categories that allow more entries mean a great amount of income for the organiser. The popularity of Cannes Lions persuades the organiser expand the scope of their main theme. It makes Cannes Lions a commercial event within the advertising industry. Advertising people have to calculate the profit and loss or in other words the investment and its return before entering an award scheme. Awards as honour or prestige have to be balanced against cost-effectiveness.

Entry requirements for Cannes Lions have a very clear structure that entrants can understand immediately what they should prepare, do and beware of before submitting their entries. For example, an agency and a production house cannot submit the same advertisement. One entry can be submitted to one sub-category only. For the Creativity-by-Medium Lions, one entry means one advertisement. But for the Other-Field Lions, one entry consists of advertisements plus one communication plan (International Advertising Festival, 2007n, 2007o, 2007p, 2007q, 2007r, 2007s, 2007t, 2007u, 2007v). The entry requirements of the Creativity-by-Medium Lions indicate the fact that the creative awards traditionally require only advertisements. Entrants do not need to spend more time and effort to produce an additional material such as an advertising plan. It makes the creative awards easy to enter because the entrants just submit their existing work. Although the creative awards like Cannes Lions now adopt the entry requirements similar to those of the effectiveness awards as appearing in the Other-Field Lions, advertising plans are not as much the main interest of Cannes Lions' audience as the beauty of advertisements.

Each section has its own judges called the international jury. There are approximately 20 – 30 judges in each jury except Titanium and Integrated Lions in which the number of judges is smaller. They are executives in a particular field. For example, the Creativity-by-Medium Lions judges come from creative agencies except the Cyber Lions in which judges come from interactive agencies. The Other-Field Lions judges come from media independents and other marketing communication specialist agencies. There might be marketing people from clients joining the jury but most of the judges come from communication agencies (International Advertising Festival, 2007c). It indicates the fact that creative awards are created and appreciated by agency people. They are the competition that is entered and judged by agency people. They are then a ritual of self-congratulation among agency people and not clients' concern.

The judging process in Cannes Lions has two steps. First, each entry is scored and ranked with computer assistance to make a shortlist. Second, the shortlist is marked and discussed among judges in order to give a prize. There are no rigid judging criteria for the Creativity-by-Medium Lions but there are some for the Other-Field Lions. For example, judging criteria for Media Lions are innovative media strategy (40%), creative execution (20%), target audience (20%) and effectiveness (20%). Judging criteria for Direct and Promo Lions are creativity (40%), strategy (20%), execution (20%) and results (20%) (International Advertising Festival, 2007n, 2007o, 2007p, 2007q, 2007r, 2007s, 2007t, 2007u, 2007v). The judging criteria correspond with the entry requirements. If the entry requirements for the Creativity-by-Medium Lions differ from those for the Other-Field Lions, the judging criteria must follow the same pattern. The judging criteria of the Creativity-by-Medium Lions reflect the traditional value of the creative awards. Message creativity is an art form that cannot be easily judged by any structural or standard criteria. On the contrary, the Other-Field Lions need the fixed criteria. Interestingly, the pattern of

the judging criteria for the Other-Field Lions is similar to that used in effectiveness awards.

The award system used is similar to a general sports competition, that is, Gold, Silver and Bronze. The three prizes are awarded in each category or sub-category. Then, the Grand Prix is selected from All the Golds. The Grand Prix must be awarded for each section; therefore, every section has one Grand Prix except Cyber Lions section. Other shortlisted entries receive certificates. The Grand Prix cannot be awarded to entries from charity, public service and non-profit organisations. Cannes Lions also have special awards such as the Network of the Year, the Agency of the Year and the Media Agency of the Year (International Advertising Festival, 2007n, 2007o, 2007p, 2007q, 2007r, 2007s, 2007t, 2007u, 2007v). The prize structure of Cannes Lions indicates two facts. First, awarding the Gold, Silver and Bronze for each category and more than one Grand Prix in one competition means that Cannes Lions are not a fierce competition. Entrants have more opportunities to win a prize as their rivals are in the same entry category, not the whole competition. Second, one of the reasons why the Grand Prix cannot be awarded to charity, public service and non-profit organisations might be that Cannes Lions want to preserve the primary purpose of advertising, that is, to produce creativity that satisfies commercial needs.

For the secondary component of the competition, Cannes Lions have seminars and workshops during the daytime and the gala award ceremonies in the evening (International Advertising Festival, 2007d). Publicity is also necessary such as that on the website. To sum up about Cannes Lions, although they are now more like a business with systematic management, they preserve the original value of advertising creativity. Creativity is an art form. The artistic value appears in the advertisement and does not need more descriptions such as a written paper. It cannot be evaluated by rigid criteria.

However, creativity must serve the commercial purpose, which differentiates advertising creativity from other kinds of creativity.

Although the reputation of creative awards interests some academics to study the advertising award schemes, there is very little research that investigates them deeply. Polonsky and Waller (1995) state that most of the research on advertising awards is concerned with advertising features and techniques appearing in the award entries. It means that researchers use award entries as a sample to test existing advertising theories. For example, Beltramini and Blasko (1986) use print advertisements in creative awards as their sample to analyse the headlines. Their motive came from a problem in previous research methodology. Some researchers who had studied print advertisement headlines used samples from one publication or someone's theory as a protocol to analyse the headlines while others used standardised research scores from research companies as a benchmark to measure the effectiveness of the headlines. Beltramini and Blasko argue that using award-winning print advertisements is better because they appear in many national publications and are recommended by agency professionals without relying on research companies' scores. The awarded print advertisements have a limited number so that researchers do not need to use a theory as a benchmark. While Beltramini and Blasko use creative awards to solve the problem of research methodology, Polonsky and Waller point out that there have been very few studies that focus on how and why agencies participate in and use the award schemes, which is concerned more with the content of the awards. Besides their study, which will be described later, Helgesen (1994) is also interested in the agencies' use of awards. Both of the studies are based on the notion of agency-client relationship. Creative awards are the target of the studies and the quantitative approach is employed.



Helgesen studies the relationship between creative awards and agency performance. He begins with a theory of agency-client relationship to see how clients choose and assess agencies. His assumption is that creative awards might be a factor in assessing agency performance. In his view, agencies and clients have to maintain their own interests. The clients' objective is marketing impacts such as sales, profits or market shares. But when assessing agency performance, they use creativity as a main criterion. And research companies are assigned by clients to measure agencies' creativity results. It is known as message research. Meanwhile, agencies have the same attitude as clients. They do not see clients' sales as an objective of their work but rather use creativity as an evaluative criterion. The difference is that they do not accept creativity assessment done by research companies but use creative awards to evaluate their creativity and to reduce pressure from clients who require research results. In this sense, creative awards are a substitute for the measurement of advertising effectiveness. Helgesen uses interviewing with questionnaires of agency people at the executive level and in the creative departments in Norway. Some of his main research findings are as follows:

- 1) Agencies' professional standard can be demonstrated by creative excellence and award schemes are one of the means to prove it.

- 2) Benefits of the awards can be at both corporate and individual levels. In the corporate level, agencies gain status and prestige, use them for sales argument with clients and recruit new staff. In the individual level, agency people gain position promotion, salary increase or new jobs.

- 3) Agencies do not know much about research methods and consider that research should be the responsibility of research companies or clients. Academic research does not help their work.

Helgesen concludes that under these views, both agencies and clients lose their own benefits. Agencies use creativity as their main strategy and ignore research while clients change agencies when sales do not increase. Although his research findings come from agencies' views only, they indicate that agencies view themselves differently from clients. Considering advertising as a tool in marketing perhaps needs to be reconsidered because in practice agencies regard themselves differently from clients and research companies. The findings also show that agencies are confused about themselves and try to find their own stance in the industry.

Polonsky and Waller study creative awards in Australia to see whether and how they are related to agencies' billings or income. Like Helgesen, their research has the background of agency-client relationships. Their assumption is that advertising effectiveness should be a criterion to assess agency performance or what they call "agency effectiveness". The positive outcome of advertising and agency effectiveness leads to an agreement of agency remuneration between agencies and clients. It is assumed that agencies' income should be increased either by discussing with existing clients or gaining new ones. Agencies may demonstrate advertising effectiveness through award schemes. But in practice they do not use advertising effectiveness award schemes that gradually arise around the world but rather use creative awards to show advertising effectiveness. Polonsky and Waller's research has the conceptual framework based on Schweitzer and Hester's work in 1992. They concluded that agencies use advertising awards, creative awards in particular, with four purposes: gaining recognition for their work, encouraging creativity among staff, increasing prestige in the industry and promoting themselves to potential clients. According to Polonsky and Waller, the first three objectives are non-financial while the fourth one is about agencies' financial gain, i.e. billings and income increases. Their findings indicate that there is no relationship

between creative awards and agencies' billings and income. Therefore, agencies are more likely to use the awards for non-financial objectives. Their research findings are consistent with Helgesen's in that agencies use creative awards to show their professionalism, not to gain new business or increase their income.

### **The APG Awards**

The APG Awards were introduced because they are an alternative award scheme for account planners who are the majority of the IPA Awards' entrants. The organiser is the Account Planning Group (APG) which was born out of the conglomeration of account planners for non-profit purposes. Account planners who want to join the APG must apply for its membership to obtain privilege and services. The APG Awards began in 1993 and run every two years which are the alternate years of the IPA Awards. The APG calls its award scheme Creative Planning Awards (Account Planning Group, 2006a, 2006b). It, again, reflects the fact that the concept of creativity influences not only creative people but also people in other departments of advertising agencies. As the APG Awards are managed by account planners who are the output of the British invention, the pattern and style of the APG Awards are similar to that of the IPA Awards.

The APG Awards have six entry categories: Campaigns/Projects for Established Service Brands, Campaigns/Projects for Established Product Brands (over £2 million), Campaigns/Projects for Established Product Brands (under £2 million), New Brands or New Advertisers, Public Service and Charity and Multi-market Campaigns (Account Planning Group, 2006c). The entry requirements are as follows:

- 1) Entrants must be the APG members.
- 2) Entrants must ask for their clients' approval before submitting the entries.

3) There are some exceptions for the rule no. 1 and 2. For example, if the entry is written by more than one author, one of them must be the APG member. If the entrant or the agency is no longer responsible for the account such as the planner's resignation, the agency can still submit the entry with the author accreditation. But the client's approval is mandatory.

4) Entries must have three parts: an essay of the 2,000-word maximum, a 200-word summary of the essay and creative materials such as TV commercials or print advertisements.

5) Entrants can submit one entry into one category. The APG reserves its right to move any entry to a more appropriate category.

(Account Planning Group, 2006c)

The APG Awards use the jury system to judge the entries. The total number of judges is 16 which are divided into two groups. First, eight judges form the shortlist jury that nominates the entries for a shortlist. Second, the final jury which consists of another eight people selects some entries from the shortlist to award them. Most of the judges are senior or executive account planners. There are a few judges who come from the media such as *Campaign*, from the client community and from specialist agencies (Account Planning Group, 2006c). The APG does not use the quantitative approach for judging criteria. In other words, it uses the subjective qualitative approach with a guideline to judge the entries. The judging criteria consist of the main and supporting ones. The main criteria require the entries to show their powerful strategic idea, potent creative expression and the link between the two. The supporting criteria are, for example, previously unearthed insight, a clear connection between inspiring media and creative thinking, and such outstanding thinking that, without it, the campaign could not be made. The judges

may bring creative work to consider along with the written paper (Account Planning Group, 2006c).

Prize structure used in the APG Awards consists of main and special prizes. The main prizes are Gold, Silver and Bronze which are given to some shortlisted entries in each category. The Grand Prix is selected from all the Golds of all categories. The special prizes are Best Media Thinking, Best Consumer Insight, Best Creative Brief, Best Use of Research, Best Paper from an Agency outside *Campaign's* Top 30 and Best New Thinking on the Role and Practice of Planning. Every entry, not only the shortlisted ones, has an equal opportunity to win a special prize (Account Planning Group, 2006c). It implies that the APG uses the special prizes to console unawarded entrants. There is an anecdotal issue about the APG Awards that indicates a sense of commerciality of award schemes. That is, the principal author of the entry is credited and receives the trophy while co-authors and supporting thinkers can be credited but have to buy additional trophies for their own. After the award ceremony, all awarded entries are published in the APG Awards book and can be searched via the APG online database (Account Planning Group, 2006c).

Like other awards, the APG has always developed its award scheme. For example, in 2001, it expanded the types of entrant organisations from only advertising agencies to other advertising related specialist agencies such as media independents, direct marketing consultancies, sales promotion consultancies and interactive agencies (Account Planning Group, 2006b). This happened at the approximately same time as the IPA changed its theme from advertising to marketing communications in 2002. The APG also uses the same name of its new theme as the IPA – the “media neutral” (Account Planning Group, 2006b). To recognise the contribution of specialist agencies, the APG introduced two special prizes in the 2005 competition: Best Paper from an Agency outside *Campaign's*

Top 30 and Best New Thinking on the Role and Practice of Planning. The former includes not only specialist agencies but also small advertising agencies that are not on the *Campaign* list. The latter is designed for a very inspiring and innovative way of planning thinking (Account Planning Group, 2006c).

An interesting point about the APG Awards is that it copies the format of managing the award scheme from the IPA. For example, the entry categories are similar to those in the IPA Advertising Effectiveness Awards during the early 1990s. Entrants must be the organisation's members. Judges are divided into two juries: the shortlist jury and the final jury. Prizing system consists of the main and special prizes. After each competition, all awarded entries are published in a book. Perhaps, it might be because people who organise the APG Awards have had some experience in entering or managing the IPA Awards which started earlier. Most of the names of the APG Awards judges in the 2005 competition appeared in the history of the IPA Awards. A difference between the APG Awards and the IPA Awards seem to be the rigour in producing a paper. While the APG Awards require entrants to write a maximum 2,000-word paper, the IPA Awards require them to write a minimum 4,000-word paper. Another difference is that while examples of creative work are required by the APG Awards, they are not necessary for the IPA Awards.

### **EFFIE Awards**

Among effectiveness awards in the world, it is generally accepted that the American EFFIE Awards and the British IPA Awards are the cornerstone of the effectiveness awards. The different concepts and processes of both award schemes disseminate to other countries. The EFFIE Awards use the strategy of franchising their

award scheme to other countries under the same name of the EFFIE Awards. In contrast, the IPA Awards use the strategy of publicity to promote their idea to other countries. These countries might not use the name of the IPA Awards but give the credit to the IPA Awards. As a result, it can be said that the EFFIE Awards are the main rival of the IPA Awards.

The EFFIE Awards began in 1968 and are organised by the New York American Marketing Association. They are the award ceremonies held every year to celebrate successful advertising campaigns in the United States. The principal themes of the EFFIE Awards are showing the results that serve the corresponding objectives and emphasising the contribution of creativity to advertising effectiveness (New York American Marketing Association, 2004a, 2004e, 2004p). In this sense, the demonstration of advertising effectiveness in the EFFIE Awards focuses on the communication effects such as brand awareness or brand image. The business results such as sales or market share are not compulsory.

The entry categories of the EFFIE Awards are generally divided into the Product or Service category and the Specialty category. Like Cannes Lions, the Product or Service category is sub-divided into many groups. While the number of the Product or Service category is large, that of the Specialty category is much less. They consist of New Product or Service Introductions, Small Budgets and Sustained Success (New York American Marketing Association, 2004g, 2004j, 2004p, 2004q). In the 2004 competition, three sub-categories are introduced: African American, Hispanic and Multinational. Two sub-categories are added in the 2005 competition: Integrated Marketing Communications and Internet Advertising (New York American Marketing Association, 2004g, 2004k, 2004p, 2004r, 2004s, 2004t, 2004u, 2004v). The traditional sub-categories in the Specialty category, that is, New Product or Service Introductions, Small Budgets and Sustained

Success are similar to the entry categories of the IPA Awards. One of the characteristics of the EFFIE Awards is the opportunity to re-submit the preceding entry in another entry category. An entry in any Product or Service sub-category can be re-submitted if the period of advertising covers the designated time in the current entry requirements except the case of winning the Gold previously. But the Gold winner of the Product or Service sub-category can re-submit the entry in any Specialty sub-category except the case of winning the Gold in that Specialty sub-category previously. In other words, the entrants can re-submit their works if they have not won the Gold in that category (New York American Marketing Association, 2004f, 2004j, 2004k, 2004q). Sub-dividing the Product or Service category and the Specialty category into several sub-categories and the entrants' opportunity to re-submit their entries make the EFFIE Awards look like a commercial activity. Although the number of entry categories in the EFFIE Awards is not as much as that in Cannes Lions, the strategy of the EFFIE Awards persuades more agency people to enter the competition.

To enter the EFFIE competition, entrants who are agency people cooperate with their clients to write a paper called the Brief and submit it with creative materials. They cannot arbitrarily create the paper with their own style but must fill only necessary information in a provided form. The information in the Brief can be classified into three groups. First, the marketing brief is the marketing information necessary to plan advertising such as situational analysis, trends in consumers' lifestyle and product characteristics. Second, the advertising campaign consists of objectives and strategies. The advertising strategy is the overall strategy which consists of the creative strategy and the media strategy. Finally, proofs of advertising effectiveness are the results after the campaign has been carried out. The creative materials attached must be at least one of the mass media: television, radio, print or out-of-home/outdoor. Entries can be submitted to



the Product or Service category and the Specialty category but they are regarded as separate entries (New York American Marketing Association, 2004b, 2004f, 2004j, 2004k, 2004o, 2004p, 2004q, 2004s).

The distinctiveness of the EFFIE entry requirements is that they are self-contained and clear. Like Cannes Lions, entrants can understand the competition rules, regulations and procedure immediately. On the contrary, the disadvantage of the entry requirements is that using the standard forms with too many rules and regulations might limit the entrants' ideas. Violating one of these rules means disqualification (New York American Marketing Association, 2004f, 2004h, 2004i, 2004o, 2004p, 2004q). While the entry requirements may manipulate the entrants' writing, they make the judges' job easier to score the entries. All forms and restrictions make the EFFIE competitions resemble standardised tests. Therefore, all of the Briefs look similar because they are produced under the same pattern. Moreover, it seems that the components of the Brief do not differ much from those of the advertising plan that agency people propose their clients in real life. Generally, the advertising plan consists of the marketing background, advertising objectives and strategies. The results of advertising evaluation are reported after the plan has been carried out. Therefore, they are in a separate written paper from the plan. The EFFIE Brief combines the plan and results together in the same paper.

Judging process is divided into two phases. In the first round, judges score the Briefs without considering creative materials. The Briefs must demonstrate how the advertising strategy contributes to the marketing efforts and how the evidence of effectiveness is consistent with the campaign objectives. If the objective is to increase brand awareness, the result should not be sales or market share increase. In the second round, the creative materials are included in judging the Briefs. Judges score the Briefs with the same criteria as the first round plus scoring the creative materials. The creative

materials must demonstrate how they are consistent with the creative strategy and how the overall creativity contributes to the marketing efforts. Judging instructions are comprehensive and formally disclosed to both judges and entrants. They are useful for the judges to have the same guidelines and criteria for judging. The large number of judges requires ready-made instructions in common. They are also helpful information of how to write the Brief effectively for the entrants (New York American Marketing Association, 2004b, 2004l, 2004m, 2004n, 2004o, 2004p). The judges consist of leading marketing, advertising, creative and research executives. The number of judges is more than 400 which are so large that the organiser has to advertise the application for judges through the website (New York American Marketing Association, 2004b, 2004e, 2004l, 2004p). After the end of judging, prizes are awarded to the EFFIE winners. They could receive either the Gold, Silver or Bronze in the entry category submitted. The top prize is a Grand EFFIE which is given to the entry that has the highest overall score in each category. However, it does not mean that all prizes are awarded to all categories. If the entries in some categories do not meet the required standard, no prize is given (New York American Marketing Association, 2004b, 2004f, 2004p, 2004q).

Compared with the IPA Awards, the EFFIE judging criteria and entry requirements do not indicate the conflict between advertising and marketing. It is generally believed that advertising is a marketing tool. Advertising is part of marketing and marketing is part of business. But when considering the relationship between advertising, marketing and business objectives, the conflict is found. Although marketers may state several marketing objectives, the principal goal of marketing is to increase, or at least maintain, sales or market share. And it is vital to business survival. In contrast, the advertising objective may be one of the various marketing objectives. But it is a supplementary objective that cannot show how it contributes to the main marketing

objective. For example, marketers may state two marketing objectives: to increase sales volumes and to increase brand awareness. Marketers may omit the latter but cannot ignore the former. And they use advertising when the latter is stated. If the latter is not stated, they have other marketing communication tools to achieve the main objective – the sales increase. Such thinking causes frustration to agency people if they want to prove how advertising contributes to the achievement of the primary marketing goal. Throughout the development of marketing and advertising research, academics and practitioners argue whether brand awareness increase helps sales increase. Even today, debates are still going on and new research findings either support or falsify the previous ones. More details about the research methodology and content will be discussed in Chapter 5 and 6. Meanwhile, in practice marketers and agency people have to do their jobs. Marketers use advertising as an alternative tool while agency people struggle to demonstrate the necessity of advertising to marketing. In the EFFIE Awards, entrants only show that the results meet the planned objectives. The demonstration of how advertising strategy contributes to marketing is only the description of how advertising works under the framework of marketing information provided. They do not need to show how advertising works to meet the major marketing objective i.e. sales or market share increase. But the IPA Awards aim higher than the EFFIE Awards. They want to show the necessity of advertising to marketing by showing how advertising works to achieve sales or market share increase. And it causes conflicts within the advertising industry. Perhaps, one of the differences between the IPA Awards and the EFFIE Awards is the organiser. While the IPA Awards are organised by the IPA representing agency people, the EFFIE Awards are organised by the American Marketing Association representing marketers. It is obvious that the EFFIE Awards follow the marketing concept that advertising is only a marketing tool.

Despite some advantages and disadvantages, the EFFIE Awards are globally popular and broadened to 25 countries in Europe, Latin-America and Asia-Pacific. It is surprising that European countries that adopt the EFFIE Awards outnumber other countries in the rest of the world. Besides an individual scheme in each country, there is the EURO EFFIE which awards the campaigns that are run in two or more European countries. It is also the first regional EFFIE Awards, established in 1996 and managed by the European Association of Communication Agencies (EACA) (New York American Marketing Association, 2004c, 2004d, 2004p). As Britain is one of the European countries, it is worth investigating why Britain does not adopt the EFFIE Awards but rather creates the IPA Awards as its own award scheme.

Another difference between the IPA Awards and the EFFIE Awards is about confidentiality. While the IPA Awards publish all of their entries since the beginning of the Awards, the EFFIE Awards keep secret the information in the Briefs and creative materials. They are the property of the organiser and not returned to the entrants. Judges are obliged to sign the statement of confidentiality when applying for being judges. Although the EFFIE organiser has recently published some briefs on the World Advertising Research Center (WARC) website, they are the entries from 2000 onwards, not all entries since the beginning of the award scheme. The organiser announces that it has the right to produce copies of the entries for education and publicity purposes. However, it prevents any outsider from studying all of the entries (New York American Marketing Association, 2004f, 2004n, 2004o, 2004p, 2004q).

Confidentiality is perhaps the main factor that inhibits research into the EFFIE Awards; nevertheless, there is one academic attempt to analyse the content and structure of this award scheme. Moriarty (1996) conducts her research with the aim of elaborating the characteristics and pattern of the campaign objectives and evidence of effectiveness

used in the EFFIE Awards. As she is not permitted to access the EFFIE data, despite having been one of the judges, she directly contacts the 1993 EFFIE winners and receives 29 of 43 responses with the provision of their Briefs. Her findings are divided into three parts: objectives, results and evidence. First, three quarters of the campaign objectives in the Briefs are not measurable. They do not identify the baseline from which the amount is expected to increase. For example, the objective “to increase sales volume 10% of \$20 million” shows the measurability (10%) and the baseline (\$20 million). Without the baseline, it is impossible to measure the results against the objectives. Moreover, more than half of the objectives are communication-oriented. Nonetheless, some entries state only marketing objectives such as sales or market share without mentioning communication objectives such as awareness or message comprehension. Second, in contrast with the objectives, the Brief authors seem to favour more marketing than communication effects by presenting more facts and figures about sales or market share than awareness or message comprehension. Surprisingly, while one of the EFFIE judging criteria states that the inconsistency between the objectives and results is unacceptable, some entrants show the opposite and win awards. Moreover, most of the Brief authors simply associate advertising and its impacts without any attempt to demonstrate the causal relationship between them. Finally, half of the Briefs do not cite the source of evidence. According to Moriarty, the evidence or even the whole brief may possibly be made up or faked. Although the Brief authors are eager to use a wider range of effectiveness measures than those provided by copy testing services from research companies, Moriarty suggests that the external sources of evidence offered by third-party research companies are more credible and unbiased than the internal agencies’ own research data.

An interesting point in Moriarty's work is that the author shows her greater appreciation to the IPA Awards than the EFFIE Awards. For example, the immeasurable objectives of the EFFIE Briefs contrast with the IPA Awards entries. The EFFIE Briefs fail to demonstrate the causal relationship between advertising and marketing effects while the IPA Awards succeed in doing so. The EFFIE organiser does not provide any example of the Briefs submitted in the earlier competitions. It does not provide any training session such as seminars or workshops so that entrants prepare themselves before entering the award scheme. On the contrary, the IPA Awards offer all of these. More importantly, the EFFIE's policy of confidentiality hinders advertising practitioners to learn others' experiences. It is also the major obstacle of her research. She hopes that it would be better to study the EFFIE Briefs over a long period to trace any change in their pattern and content. However, her hope is rather impossible since the EFFIE organiser still rejects any request for accessing the briefs prior to 2000.

### **The IPA (Advertising) Effectiveness Awards**

Before introducing the IPA (Advertising) Effectiveness Awards, it is important to describe the IPA's functions and administration because they are the umbrella under which the Awards are made. The Institute of Practitioners in Advertising (IPA) is the only acknowledged representative organisation of advertising, media and marketing communications agencies in the United Kingdom. Working people comprise the IPA's staff who undertake daily tasks and councils, committees and special interest groups who are volunteered by agency personnel (Institute of Practitioners in Advertising, 2004a, 2004d). It was established in 1917 with the name of the Association of British Advertising Agencies and a decade later changed to be the Institute of Incorporated

Practitioners in Advertising. After the booming of agency business in the late nineteenth century, many advertising agencies behaved irresponsibly to their clients and the media. These poor-quality agencies often cheated the clients and deliberately did not pay the media for advertising space. This situation made the whole industry notorious. As a result, a number of large agencies aggregated themselves as an institute to endorse the reliable ones. The clients felt more secure to deal with the accredited agencies and the media would pay the commission only to them (Nevett, 1982). In other words, founding the IPA was an attempt to develop professionalism among advertising agencies.

The origin of the IPA shaped the two essential subsequent actions. First, an agency who wants to join the IPA must apply for the IPA membership. Since the structure of advertising agencies has been modified into specialist agencies such as media independents, creative boutiques, strategic consultants, brand communication agencies, direct marketing agencies due to the popular concept of marketing communications, the IPA needs to invite these agencies into its membership and expand its working scope of advertising to the larger area of marketing communications. Second, the IPA's missions today are not only encouraging the professionalism among agencies but also providing more services and offering privileges to its member agencies. As cited in the IPA Membership Guide, its missions are "to serve, promote and anticipate the collective interests of its members; and in particular to define, develop and help maintain the highest possible standards of professional practice within the advertising, media and marketing communications business" (Institute of Practitioners in Advertising, 2004c). The IPA's functions follow the missions. These functions are

- 1) Negotiating agencies' interests with clients, media owners and business information suppliers via their representative organisations.
- 2) Lobbying government and regulatory authorities.

3) Contacting with other advertising and marketing communication related organisations both nationally and internationally.

4) Creating best practice, professionalism, self-regulation and ethical standards among agencies by enhancing continuous education to agency staff. The IPA runs training sessions, seminars, conferences and workshops in various aspects of advertising and marketing communications.

5) Giving advice as to management, finance, law, employment and pension plans.

6) Providing high-quality information services which can be listed as news and tenders, statistics, books and other publications, and web downloads.

7) Promoting the value of advertising and marketing communications and agencies in these fields to clients through exhibitions and the gala awards ceremonies which consist of the Effectiveness Awards for campaign effectiveness, the Business Communications Awards for business-to-business advertising, the Best of the Best Awards for creativity and the Excellence in CPD Awards for CPD programme.

8) Others including providing a forum for agencies to discuss their business or current hot issues, being an intermediary or a medium for agencies to advertise themselves or recruit staff, and giving discounts to member agencies.

(Institute of Practitioners in Advertising, 2004a, 2004b, 2004c)

The IPA (Advertising) Effectiveness Awards are the biennial award competitions managed by the Institute of Practitioners in Advertising. They are run nationally and known as the largest and oldest in the UK. They are understood as the national awards without the word “national”. They began in 1980 with the name of the IPA Advertising Effectiveness Awards. The IPA has two affiliated award schemes: the Scottish Effectiveness Awards which started in 1993 for Scotland and the AREA Effectiveness



Awards which started in 1995 for regions. Both are run biennially but in the alternate year of the national awards (Institute of Practitioners in Advertising, 2004a, 2004e, 2004f).

All of the Effectiveness Awards are under the supervision of the IPA's Value of Advertising Committee or VAC. It is the only committee that handles the Effectiveness Awards while the IPA's other award schemes are managed by other special interest groups. Its role is consistent with the seventh IPA's function i.e. to promote the merits of advertising and marketing communications to clients, particularly in terms of their contribution to business and the economy. Members of the Committee are senior IPA members (Institute of Practitioners in Advertising, 2004a, 2004e).

The Effectiveness Awards serve IPA's two functions. They promote the benefits of advertising and marketing communications and the agencies themselves to clients and simultaneously they are a collection of case studies where agency people learn effectiveness and exchange knowledge. Structural changes in advertising agencies have had effects on not only the IPA's missions but also its Effectiveness Awards. At the beginning of the Awards in 1980, the IPA started the Awards with the idea of measuring advertising effectiveness in terms of business results i.e. returns on investment such as sales, market shares or profits. The Awards aimed at demonstrating the advertising value against other marketing communication tools, particularly sales promotion. The IPA then ran the award scheme under the name of the IPA Advertising Effectiveness Awards from the outset to 2000. But since 2002, it has cut out the word "Advertising" and changed the name to be the IPA Effectiveness Awards. The IPA claims that the purpose of the Awards remains the same, that is, measuring effectiveness in terms of business results. It is true that the dimension of measuring effectiveness is the same, that is, focusing on the marketing or sales effects rather than communication effects. But the difference is what the Awards measure, that is, from advertising to marketing communications. They change

from paying tribute to advertising over other marketing communications to submerging advertising in other marketing communications (Institute of Practitioners in Advertising, 2004f; Broadbent, 1981). The change in 2002 indicated that the IPA has accepted the marketing concept that treats advertising as a marketing tool. Such marketing concept has long been believed among marketers around the world. Therefore, it is interesting to find out why the original purpose of the Awards seems opposite to the orthodoxy of marketing.

Despite Moriarty's appreciation, British journalists are often sceptical of the IPA Awards. The Awards have long been in the media's interest. They not only report the results of the Awards competitions but also criticise and reflect agencies' and clients' opinions towards the Awards. Most of the media content has been recently concerned with dissatisfaction and negative viewpoints towards the Awards and the IPA's attempt to alleviate the exasperation. During the 1990s, the IPA Awards were accused of being "outdated and out of touch" (Anon, 1998a, 2001b; Tylee, 1997). Steady decline in entries had been apparent since the beginning of the decade. The 2000 competition was the worst when only half of top 20 agencies participated despite the IPA's heavy PR activities, roadshows and presentations. With the goal of 70 entries, the IPA achieved only 52 (Anon, 2000b, 2000c, 2001a, 2001b, 2001c; Tylee, 2001). Some agencies resisted the Awards with certain reasons. The Awards' requirement of a 4,000-word paper was a burden for a planner who, in a competitive environment, was always too busy with his/her routine jobs to spare time for preparation and writing it up. The standard of the Awards was too high to achieve or, more specifically, too academic and esoteric; therefore, some agencies turned their interest to other less demanding awards. Under the rapid turnover of agency staff, new planners wanted to look ahead, not appreciate the excellent history being done by forerunners. In some cases, they did not want to expose their strategy to be criticised by the public (Anon, 2000a, 2000b, 2000c, 2001b; Tylee, 2001). Clients were

less interested in the Awards. They did not encourage agencies to submit entries. It was said that they no longer needed to be convinced of advertising effectiveness because the demonstration of the existing IPA Awards case studies was sufficient (Anon, 2000a, 2000b, 2000c; Marshall et al., 1998).

The IPA worked hard to remedy this situation. The prize structure was changed from the medal to the star system. The number of judges was increased and they were divided into specialists and client jury. Executives from other disciplines such as finance, personnel or business development were invited to be judges in order to legitimate the Awards. The measures of advertising effectiveness were extended to the impacts on other groups such as the City and companies' employees. The appropriate media were persuaded to be the Awards sponsors, for example, *Financial Times* for recognising the importance of the City, *Campaign* for being a major trade magazine in advertising (Anon, 1998a, 2001a, 2003; Marshall et al., 1998; Tylee, 1997, 2000). But no matter how hard the IPA tried, there were still complaints about the Award. While the medal system marked the unawarded papers as failure and hinted to clients that most campaigns were ineffective, the star system was "crude and unfair" as one-star winners felt like "also-rans" and the difference between each star could not be easily identified. The Awards entrants were sceptical of the Grand Prix winners. For example, the BT campaign was awarded the Grand Prix in 1996 because its effectiveness derived from the invincible advertising budget. The HEA campaign should not have won the Grand Prix in 1998 because its objective was not to sell a product, which contrasted with the Awards' objective of demonstrating effectiveness in terms of business success. Expanding the measures of advertising effectiveness to other groups might confuse judges in determining who was actually the primary target group. The gala award ceremonies were full of lengthy speeches and not exciting because the list of winners was announced in the

newspaper before the celebration night. The creative works must have been shown in the ceremonies and creativity should have been included as a judging criterion of effectiveness (Tylee, 1997, 1999, 2000; Marshall et al., 1998). The media concluded that the IPA Advertising Effectiveness Awards were “a victim of time and circumstance”. Continuing the Awards as they had been led to the apathy of both agencies and clients and vanishing sponsors. The IPA was forced to improve the Awards towards the evaluation of marketing communications (Anon, 2000b, 2000c, 2001b). After the 2000 competition, the IPA considered several alternatives for the Awards such as holding them every year to attract more sponsors, lessening the rigour of entry requirements, merging them with other similar award schemes or eventually relinquishing them (Anon, 2000b; Tylee, 1999, 2001).

In addition to the agency structural change, clients wanted integrated communication campaigns regardless of what discipline was superior. Consequently, in the 2002 competition, the IPA Awards were “overhauled or revamped”. The word “Advertising” was erased from the title (Anon, 2001a, 2001b, 2002; Mitchell, 2001; Tylee, 2001). The Awards theme was extended from measuring advertising effectiveness alone to explaining the effectiveness of each specific discipline in marketing communications. The IPA called it “media neutral” (Anon, 2001a, 2002; Jardine, 2002; Tylee, 2001, 2002). Specialist agencies such as media, creative, direct marketing, sales promotion and sponsorship were invited to enter the competition. These disciplines used to be complementary but dramatically became significant strategies to campaign planning (Anon, 2001a, 2001b, 2001c; Tylee, 2001). In fact, the IPA had persuaded the specialist agencies, particularly media independents, to be its members for a long time because the media teams had quantitative data or econometric resource that was of great benefit to describing campaign effectiveness (Anon, 2001b, 2001c). The Awards entrants from

these agencies could submit a part of the campaign being created with other agencies (Anon, 2001c; Tylee, 2001). The IPA's rebuilding of the Awards was applauded by the media. One of them said that the new Effectiveness Awards gathered the value of specific disciplines from other award schemes into one, which less confused clients who wanted integrated useful information. *Marketing*, a leading trade magazine, joined the Awards sponsorship with the reason of the IPA's more advocacy to marketing (Anon, 2002a; Jardine, 2002; Mitchell, 2001). Eventually, the IPA enjoyed the increasing number of entries which reached 61 in 2002 (Tylee, 2002b). In the 2004 competition, the IPA broadened the membership base by allowing nonmember agencies to enter the Awards with the purpose of attracting more entries. Again, it received praise from the media that the Awards were good examples of demonstrating the contribution of integrated communication campaigns to clients' business. The winners' case studies showed the collaboration between agencies, excellent media strategy and the inclusion of creativity (Anon, 2003; Billings, 2004; Tylee, 2003).

## **Conclusion**

Most well-known advertising awards have the similar structure that mainly consists of entry categories, entry requirements, judging criteria and prizing system. Entry requirements and judging criteria are the elements that indicate the nature of award schemes. For example, creative awards require only advertisements as entries and do not need any rigid criterion to judge the creative works. Effectiveness awards and account planning awards, on the contrary, require entrants to write a paper and identify the exact judging criteria. The criteria are sometimes specified in a form of proportional scores. Increasing entry categories and the number of prizes given in each category are good

strategies to commercialise the advertising awards such as Cannes Lions and the EFFIE Awards. Other strategies include entry resubmission as appearing in the EFFIE Awards and inviting other disciplines than the main theme into the award schemes as appearing in Cannes Lions. The additional entry categories such as media planning, direct marketing and internet advertising make some parts of Cannes Lions look like the EFFIE Awards. Campaign evaluation as the feature of effectiveness awards is now part of the affiliated programmes of creative awards. These strategies of the advertising awards persuade more entrants to participate in the competitions. It means more income to the award organisers.

Academic research on advertising awards is rare. Among a few pieces of research, most of them investigate the creative awards and the only one studies the effectiveness awards. Research on creative awards is concerned with how and for what purpose agency people use the awards. The findings indicate that they use the creative awards instead of the effectiveness awards to demonstrate agency performance. By common sense, the effectiveness awards should be a better indicator of agency performance than the creative awards. The effectiveness awards show the success of the whole campaign while the creative awards show the creativity excellence which is part of the campaign. However, agency people feel that creativity is their genuine work because they produce it by themselves. In contrast, measuring the effectiveness of campaigns is research companies' job, not agencies'. It is surprising that both agencies and clients agree to evaluate the agency performance on the basis of creativity itself rather than the effectiveness of creativity. The research findings also indicate that agency people use creative awards for other purposes such as increasing the industry prestige and encouraging the staff's new ideas.

Although effectiveness awards are less popular than creative awards, it is worth studying the effectiveness awards for an important reason. In theory, there are several

debates on which type of effects is better to illustrate the success of advertising campaigns. Academics and practitioners cannot agree whether to use communication effects or marketing – or known as sales – effects. It is generally accepted that advertising should state the objectives and show the results in terms of communication. The problem is the sales effects. Based on the belief that advertising is an alternative, but not necessary, tool of marketing, marketers are more likely to limit the demonstration of advertising effectiveness in communication terms. The sales effects are under their responsibility and they have other tools to achieve the sales goal. In contrast, agency people try to show the necessity of advertising to marketing. The actual advertising purpose is to help marketers achieve the primary marketing objective. Therefore, it is vital to agency people to prove how advertising causes sales. Chapter 5 and 6 will give the reader the portrayal of agencies' struggles in proving the sales effects of advertising and the problems that occur during trials and errors in terms of both research methodologies and content. And they lead to the origin of the IPA Awards that announce their rigour in proving the sales effects. Compared with the IPA Awards, the sales effects are not the ultimate purpose of the EFFIE Awards. The EFFIE entrants are required to demonstrate the consistency between the advertising objectives and results and how advertising contributes to marketing. However, the EFFIE organiser does not make clear the phrase “how advertising contributes to marketing”. It might be because the organiser is the American Marketing Association that represents marketers, not advertising agency people. Marketers know that advertising somehow contributes to marketing. But it is not their job to show how. The ambiguity of the advertising contribution to marketing in the EFFIE Awards illuminates in an academic piece of research. The research findings indicate that some entrants can win an award although they show the inconsistency between the advertising objectives and results. In some cases, the Brief authors claim the causal

relationship between advertising and sales illogically. What they show is only the association, not causation. Moreover, some authors do not cite the source of data.

This chapter gives the reader the background of the IPA Awards in terms of their organiser – the IPA. The IPA's missions and functions as well as a brief general description of the Awards are given. The information from the first volume of *Advertising Works* – the publications that the IPA produces after the end of each competition – and the IPA's current website indicate the extreme contradiction. That is, the IPA changes from excluding advertising from marketing in 1980 to including advertising into marketing in 2002. News reporting events about the IPA Awards during the 1990s support the reason why the historical perspectives of the Awards are worth being studied. The Awards encountered such great pressures from inside the agency community and outside the community such as clients and the media that the IPA decided to make a radical change in the 2002 competition. They lead to the further investigation of what motivated the Awards' founders to establish the Awards and why the IPA abandoned the original purpose and transformed the Awards into the marketing communication effectiveness awards that have an extremely different concept from the original one.



## **Chapter 2**

### **Research Methodology**

#### **Rationale for Using Grounded Theory**

Grounded theory is a qualitative methodology whose main purpose is to generate new theory or explanation directly emerging from the data. Researchers do not start with existing theories as a framework of study and then collect data. Rather, they collect data first and then let a new theory come out of the data. In order to develop the theory, the researchers do not use one set of data but several sets that are gathered and analysed through the research process (Strauss and Corbin, 1998). It is the interplay between data collection and analysis or what Bryman (2004) calls the iterative or recursive process. ‘Grounded’ means that the generated theory is grounded in data as opposed to other research methodologies which do not focus on theory building (Punch, 2005; Strauss and Corbin, 1994). Grounded theory had its origin in sociology during the 1930s and has been developed through many versions by Glaser and Strauss (1967), the two founding fathers, and other sociologists. Today, it is used as either a research methodology or a qualitative analysis method which other qualitative methodologies apply. For example, Punch (2005) uses grounded theory as a research strategy and an analytical method while Bryman (2004) uses it as an analytical method only. In this thesis, I use grounded theory as the research strategy, not only as an analytical method. The reasons for using grounded theory consist of its being a general methodology, its focusing on theory building and its application to professional practice. Details of the reasons are as follows:

1. Grounded theory is a general methodology (Strauss and Corbin, 1994). It is the only qualitative methodology that presents itself as an objective perspective. Its

objectivity has been influenced by modernism and post-modernism in the period called by Denzin and Lincoln (1994) the modernist phase from the postwar years to the 1970s. Although having passed through many transitions, grounded theory retains its stance as having an objective perspective which is the remnant of positivism. It gives grounded theory the quality of being both quantitative and qualitative (Denzin and Lincoln, 1994; DePoy and Gitlin, 1994). Some qualitative methodologies in sociology such as ethnography were born before grounded theory and under the influence of positivism. But they modified their original perspective and adopted postmodernism in the 1980s. Others such as feminism and critical theory were born in the postmodernist period and thus influenced by postmodernism (Denzin and Lincoln, 1994).

Under the concept of postmodernism, it is inevitable that each of the other qualitative methodologies is explicitly embedded within a certain paradigm. According to Janesick (1994), under the postmodernist concept, qualitative research should not have value-free means of inquiry. Researchers must identify the preferred paradigm before choosing the research strategy. Moreover, the chosen paradigm specifies a certain type of data collection and analysis. For example, ethnography is attached to participant observation and cultural interpretation; feminism with women's issues; phenomenology with people's lived experiences; and ethnomethodology and semiotics with the content of messages. These characteristics do not allow flexibility in applying the paradigmatic research strategies to other settings than the identified paradigm and result in limitations in applying these methodologies to other fields than sociology and anthropology. In contrast, grounded theory is the only value-free means of qualitative approaches. According to Punch (2005: 157, 159), although grounded theory came from sociology, it is "a general way of approaching research and does not depend on particular disciplinary perspectives ... in contrast to the adhoc and uncoordinated approaches which have

sometimes characterised qualitative research.” As described earlier, grounded theory is also used as a method of qualitative data analysis on which other qualitative methodologies have to rely more or less. In this sense, grounded theory has a broader scope than other qualitative methodologies. In other words, if researchers use other qualitative methodologies, they have to use grounded theory. But if they use grounded theory, they do not need to use other qualitative methodologies.

Grounded theory is used in this thesis because of its objectivity. Advertising is typically regarded as one of the marketing communication tools. It is incorporated into the marketing discipline. However, practitioners’ views of advertising might differ from academics’. And within the world of practitioners, advertising agency people might have a different view from marketing people of manufacturing companies. The IPA Awards were created to reflect the agencies’ view. Therefore, the literature on advertising and marketing in general perhaps cannot explain the existence of the Awards. As there is no formal or academic literature indicating that advertising is not a marketing tool, I cannot designate the only paradigm as the basis before starting the study. Instead, I welcome all of possible paradigms that seem relevant in explaining the agencies’ view. As a result, the objectivity of grounded theory is required for the study. Other qualitative methodologies do not fit it because their paradigms must be chosen at the early stage of researching. Moreover, grounded theory is better used in the thesis than quantitative methodologies. Quantitative approaches such as surveys and experiments have the limitation of having parsimonious explanations. But descriptive explanations are necessary for investigating an unknown area of study. The literature that mentions the different view of agency people and marketing people is rare. So is the literature of award schemes. Consequently, new explanations that have a sense of narratives are required for the thesis. Grounded

theory helps me explain what happened in the IPA Awards in a narrative form and allows me to use both qualitative and quantitative data in the study.

2. Grounded theory focuses more on theory building than other qualitative methodologies (Strauss and Corbin, 1994). In generating theory, researchers begin with descriptions and then categorise the concepts that appear in the descriptions. Finally, they create a theory by structuring those concepts into logical and systematic explanations (Strauss and Corbin, 1998). In this sense, there is at least a difference between description and explanation which is the element of theory. According to Strauss and Corbin (1998), description is details chosen by storytellers and based on their views on the phenomenon while theory means a set of developed concepts that are systematically interrelated to explain the phenomenon. Huberman and Miles (1994) state that description deals with ‘what’ happens and ‘how’ it happens while explanation is about ‘why’ it happens. Explanation is in fact a time series of descriptive events. To answer the question ‘why’, one must find the causes of the events which can be found within one story by historians’ technique of followability. Causality can be demonstrated by means of “a retrospective matter” (p. 435).

The difference between description and explanation makes grounded theory differ from other qualitative methodologies. Goulding (2005) maintains that grounded theory has explanatory power that leads to a conceptual framework and eventually theory while other methodologies such as ethnography and phenomenology emphasise thick description and lack the sense of causation. “Thick description” was the term used by Geertz in 1973 and 1983 for cultural interpretations in anthropology (Denzin and Lincoln, 1994). Goulding’s research on heritage consumption (e.g. visiting museums) shows that grounded theory is chosen to study the motivation of visitors’ behaviour because previous ethnographic research provided long descriptions of behaviour, not the causes of it. Morse

(1994) indicates the difference among qualitative research strategies. Grounded theory is used to answer the question about the process of a phenomenon. Ethnography gives the answer about the nature of the phenomenon. And phenomenology answers the question about the meaning of the phenomenon. Explanation is required to give the answer about the process of the phenomenon while description is sufficient to give the answer about the nature or meaning of it.

Grounded theory is used in this thesis because of its potential of explaining causality. The chosen period of the IPA Awards is from 1980 to 2002; however, the history of the Awards is not limited to these two decades. Several events preceding the Awards considerably influenced the Awards. These events were made by a group of British agency people who either directly or indirectly contributed to the birth of the Awards. The history of the IPA Awards is not only just the history of the events but also that of people who were involved in them. Chapters 4, 5 and 6 will illustrate the causal events before the Awards started. They are the historical context of the Awards that relates to the explanation of the Awards themselves in the last chapter. Although most of the content in the four chapters is descriptive, it will be used to generate concepts and formulate logical explanations.

3. Grounded theory has grown up from medical sociology, which is a kind of professional practice. Its origin came from Glaser's and Strauss' research on experiences of chronically ill patients and those dying in hospitals during the 1960s (Goulding, 2005; Punch, 2005). Punch also gives a reason why grounded theory is a popular methodology for researching professional fields. Practitioners often encounter new problems that cannot be explained by existing theories. These problems may come from new developments in day-to-day practice or different organisational contexts. Grounded theory helps practitioners find new explanations pertinent to those situations.

Grounded theory is used in this thesis because it gives new explanations of events in the practitioners' world. Advertising agency people are practitioners whose views are assumed by the academic literature to be similar to marketing people's in manufacturing companies. But the reality in practice might be different from theories. The IPA Awards might reflect agency people's views that have not been explained by existing theories.

### **Research Questions**

As stated in the previous chapter, the IPA Awards changed from measuring advertising effectiveness to marketing communication effectiveness. The interesting point is not that the IPA cut out the word 'advertising' from the Awards' title in 2002. Nor is it interesting to simply ask why the Awards changed from advertising effectiveness in 1980 to marketing communication effectiveness in 2002. But the interestingness is in the contradictory data deriving from the preliminary analysis of the *Advertising Works* series. They are the publications that the IPA produces after the end of every competition. Inside each volume are the introduction and winning entries. Their authors are the convenors of judges.

After the analysis, two inconsistencies in data are found. While one of the purposes of the Awards is to help clients better understand the important role of advertising in marketing, the authors emphasise the advertising value by isolating it from other marketing elements. Simon Broadbent (1981: vii; 1983: vii), the judge convenor of the first and second competitions stated that the Awards aimed at "a better understanding of the crucial role advertising plays in marketing." Charles Channon, the judge convenor of the third competition, indicated that the objectives of the Awards remained the same. One of them was "to improve understanding, particularly outside the industry, of the

crucial role advertising plays in marketing generally as well as in specific applications” (Channon, 1985: vii). Although he did not mention it again in the fourth competition of which he was the judge convenor, his statement was repeated in verbatim by his successors such as Paul Feldwick, the judge convenor of the fifth and sixth competitions, and Nick Kendall, the judge convenor of the tenth competition (Channon, 1987; Feldwick, 1990, 1991; Kendall, 1999). Chris Baker, the judge convenor of the seventh and eighth competitions, and Gary Duckworth, the judge convenor of the ninth competition, did not mention the advertising role in marketing (Baker, 1993, 1995; Duckworth, 1997). Tim Broadbent was the last person to state it. As Simon’s son, Tim repeated his father’s objective of the Awards when he was the judge convenor in 2000 (Broadbent, 2000).

While all of the convenors stated the same purpose of the Awards, they said the opposite to the purpose. It was the intention in isolating the effectiveness of advertising from marketing. Surprisingly, all of the convenors addressed it in the same way. In the first competition, Simon Broadbent did not stress it much. What he said is only referring to the deep rooted problem in the advertising industry, that is, the difficulties to isolating the advertising effect from other marketing elements (Broadbent, 1981). But in the second competition, he quoted the words of two agency key figures, Jeremy Bullmore and Stephen King, that the Awards and the econometric analysis used in the Awards would encourage the advertising industry to try to isolate the advertising contribution from other marketing elements (Broadbent, 1983). Showing an attempt to isolate the advertising effect became one of the main judging criteria in the third competition (Channon, 1985). And in the fourth competition, Channon increased the degree of the advertising importance by saying that the Awards were concerned with isolating the value of advertising “over and above that of the rest of the marketing mix” (Channon, 1987: x). And although econometrics could demonstrate the contribution of other marketing

elements to sales, it should not have been the focus because the Awards were the “advertising awards and not marketing awards” (Channon, 1987: xi). The isolation of the advertising effect from other marketing elements was still mentioned in the subsequent competitions, for example, by Feldwick in 1988, Duckworth in 1996 and Kendall in 1998 (Feldwick, 1990; Duckworth, 1997; Kendall, 1999). Tim Broadbent concluded in the 2000 competition that from the time when his father initiated the Awards to his time, the Awards had been proving the possibility of isolating the advertising influence over and above other marketing elements (Broadbent, 2000).

It seems that the judge convenors transfer their idea from generation to generation. The purpose of the Awards remains the same as well as what they want to achieve. But the purpose and achievement contrast with each other. Therefore, it is interesting to find out what causes the contradiction of the Awards’ ideas. On the one hand, they aim at showing the advertising value as a marketing tool. On the other hand, they want to show the advertising value over and above other marketing tools. If agency people accept the marketing concept that advertising is a marketing tool, there is no reason why they have to show the advertising value against other marketing tools. All of the tools help marketers achieve their sales objective. It does not make sense to marketers to use one tool against another. And if the agency people like Channon bravely said that the IPA Awards are advertising awards, not marketing awards, it implies that there might be something behind the agency people’s idea reflected from the Awards. The contradiction of the Awards’ ideas may lead to the inference to the larger conflict within the agency community and between agencies and other communities such as clients and research companies. As a result, the first research question would be:

1) Why did the agency people in the IPA Awards have the idea contrast between including advertising into marketing and separating advertising from marketing?



After maintaining the purpose and achievement, despite the contrast, for two decades, the Awards suddenly abandoned the idea of separating advertising from marketing. Marco Rimini did not mention the purpose of the Awards – advertising as a marketing tool – in the 2002 competition in which he was the judge convenor. Although he realised the history of the Awards that they succeeded in creating the better understanding about the value of advertising as opposed to other marketing elements, he did not explain why the new Awards' theme – proving marketing communication effectiveness – was something opposite to their previous success (Rimini, 2003). This inconsistency in data leads to the second research question:

2) Why did the agency people in the IPA Awards abandon their achievement of separating advertising from marketing and return to the marketing concept that advertising is a marketing tool?

## **Data Collection**

### *I. Documentary Research*

Two types of documents were used in the thesis: technical and non-technical literature. According to Strauss and Corbin (1998), the technical literature means publications that contain theoretical knowledge such as academic articles or books while the non-technical literature means those written by non-academic people such as letters, biographies, diaries, reports and newspapers. In this thesis, the technical literature was the source of information about various perspectives on advertising such as economics, marketing and sociology, relevant histories such as the history of advertising agencies, market research and account planning, American advertising effectiveness theories in which psychology played crucial roles, and research methods in terms of both quantitative

and qualitative approaches. The technical literature provided supportive information to that provided by the non-technical literature.

There were two purposes of using the non-technical literature in the thesis. First, it was used as the source of information about the causes of the Awards or the underlying evidence. The first type of non-technical literature included books and articles written by British agency people whose views were influential before the Awards started and while they operated for two decades. Some of them were the key people who initiated the Awards but had already passed away. In this case, the non-technical literature was used in the same way as interview transcripts.

The second type of the non-technical literature concerned the Awards themselves. It was the surface evidence which was added by the interview data to describe the content of the Awards. The second type of the non-technical literature included the introduction of the 1980 – 2002 *Advertising Works* series, Awards entries available from the World Advertising Resource Centre (WARC) and news about the Awards during 1998 – 2002. The introduction of the *Advertising Works* series provided the information about the primary components of the Awards such as entry requirements, entry categories, numbers of entries, numbers of judges, judging criteria and prize structures. It also gave the brief information about what happened in each competition. A problem was that the authors seemed to write it for agency people. Because of limited space, it lacked details of the backgrounds and motives behind the competitions. It indicated the requirement of interviews for more details. Moreover, the introduction of *Advertising Works* gave the information about people who were involved with the Awards, namely members of the Value of Advertising Committee (VAC), judges and awarded entrants. The information about the VAC members and judges consisted of people's names, organisations' names and people's career positions. The information about awarded entrants consisted of

people's names, agencies' names, entries' titles, clients' names, prizes given and entry categories. All of the information was used for both categorising samples of interviews during the process of data collection and describing the content of the Awards in the chapters on research findings. The information from *Advertising Works* did not include entrants who did not win awards. However, WARC was a source that did contain information about those unawarded entrants. In fact, the Awards entries from WARC provided the information of both awarded and unawarded entrants. But because the WARC information gave only people's names, agencies' names and entries' titles which was less data than in *Advertising Works*, I decided to use the information of awarded entrants from *Advertising Works* and that of unawarded entrants from WARC.

As this second type of the non-technical literature (which included *Advertising Works* and WARC) did not give me the sufficient information to describe the content of the Awards, interviews became necessary for the thesis.

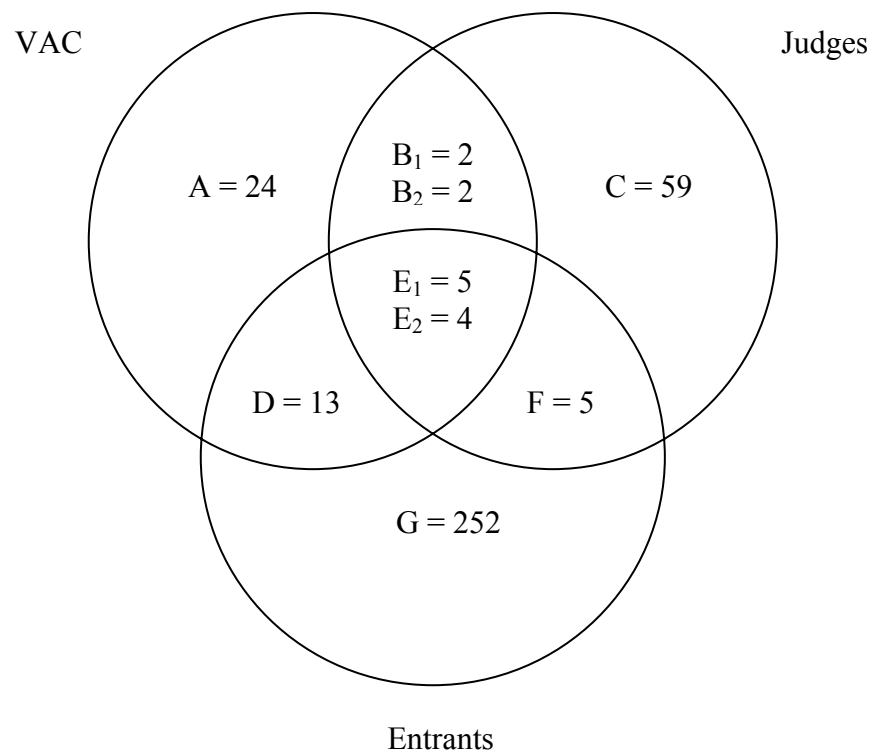
## *II. Interview Research*

I conducted two stages of interview research. The first stage was pilot interviews in Scotland. Two interviewees were selected: one in Edinburgh and the other in Glasgow. Both of them were agency people who worked in leading advertising agencies in Scotland. They were involved with the Scottish IPA Awards, the regional IPA Awards, during the 1990s. The interviews took place in April and July 2004 and each of them was done within one hour. Both of the interviews were conducted in person and recorded by tape recorder. A purpose of the pilot interviews was to give me some insights into the Awards in order to develop the guidelines for the London interviews. Another purpose was to find connections among agency people in the hope that Scottish agency people might have introduced me to some interviewees in London. However, I found that these Scottish

agency people had closer relationships within Scotland than with London. Therefore, I had to rely on help from the IPA in order to gain contact with London agency people. Meanwhile, I found that the IPA had a Scottish office in Edinburgh. Thus, it was economical to approach the Scottish IPA as it had the same online data as the London office. In May 2005, the Scottish IPA helped provide the information about who were available for the main interviews. Based on the IPA data in 2005, some people who were involved with the Awards from 1980 to 2002 were not available as they had lost their contacts with the IPA.

The second stage of interview research, the main interviews, was conducted in London. Samples were more complicated than those for the pilot interviews. I found that from 1980 to 2002, many people, particularly agency people, were involved with the Awards more than once or in more than one position. For example, a person was involved with the Awards as an entrant in 1990, 1996 and 2000. Another person was involved with the Awards as an entrant in 1982, as a judge in 1984 and as a Value of Advertising Committee member in 1996, 1998 and 2000. After the data from *Advertising Works* and WARC were analysed and combined with the Scottish IPA data, the results were as follows:

Figure 2.1



The numbers shown in the diagram are available people. The area A means people who were the VAC members only; the area C is judges only; and the area G is entrants only. The area B means people who were both the VAC members and judges; the area D is both the VAC members and entrants; and the area F is both judges and entrants. The area E means people who were the VAC members, judges and entrants. The subscript 1 (B<sub>1</sub> and E<sub>1</sub>) refers to the convenors of judges and 2 (B<sub>2</sub> and E<sub>2</sub>) refers to the non-convenors of judges.

People in group A and D were agency people; therefore, there was no need to divide them into subgroups. The numbers in group B, E and F were too few to be divided into subgroups. But the numbers in group C and G were large enough to do so. Interestingly, based on the data of organisations' names and people's career positions

from *Advertising Works* and more details from various websites about the nature of the organisations, the judge-only group could be divided into six subgroups: chairmen, agencies, clients, research and modelling companies, media owners and academics. Brief details of group A, B, C, D, E and F and their subgroups were produced to be discussed with the London office of the IPA. On the one hand, the reason was that the IPA knew the British agency business better than I did. On the other hand, it was quite risky as the IPA probably chose some people who gave only positive opinions towards the Awards. However, I found that it was not always the case. Most interviewees reflected fairly objectively their experiences both in practice and in the Awards, not on the behalf of the IPA. Some interviewees surprised me as I had expected them to give positive attitudes towards the Awards but they did not always do so.

To allow the IPA to choose the interviewees did not mean that the IPA dominated the selection. During the discussion, the IPA explained why it had suggested this person rather than another and asked whether I agreed with the choice. While the IPA's selection was based on people's experiences or backgrounds, my selection was based on the frequency of people's participations in the Awards and whether the participations covered two decades. At the end of the discussion, the numbers of chosen interviewees were quite in proportion to the numbers of available people in each group. For example, three interviewees of 24 available people were chosen in group A while one person out of five available people was chosen in group F. There were some exceptions. For example, all convenors of judges had to be interviewed as they were supposed to give more details of what they wrote in the *Advertising Works*. Because chairman judges were hardly possible to access, no attempt was made to interview them. Overall, 22 people from group A to F were chosen by the IPA to be prospective interviewees.

In order to avoid biases, I decided to choose group G by myself. Similar to group C, the entrant-only group had to be divided into subgroups. Two criteria were used: the numbers of entries submitted and the numbers of competitions entered. The criteria came from grouping the repeated names of entrants in all entries and competitions. The results were as follows:

1. People who submitted one entry in one competition.
2. People who submitted several entries in one competition.
3. People who submitted several entries in several competitions.
  - 3.1. People who submitted entries in two successive competitions with one entry in each competition.
  - 3.2. People who submitted entries in two successive competitions with several entries in either competition.
  - 3.3. People who submitted entries in two separate competitions with one entry in each competition.
  - 3.4. People who submitted entries in two separate competitions with several entries in either competition.
  - 3.5. People who submitted entries in several competitions with one entry in each competition.
  - 3.6. People who submitted entries in several competitions with several entries in a certain competition.

The results indicated that people in subgroup 3.6 were the most preferable for the interviews as they were involved with the Awards more than once and submitted more than one entry. Therefore, I decided to approach the people in subgroup 3.6 first. If they did not agree to be interviewed or there was any inconvenience that made the interviews impossible, I would choose the earlier subgroups upwards. As 22 people were selected

from group A to group F and some of them had experiences in the Awards as entrants, I decided to choose five people from group G on the basis of prizes they won: Grand Prix, Gold, Silver, Bronze and unawarded. I found one person who represented the Gold winner and another who represented the Silver winner in subgroup 3.6. There was one person who represented the unawarded entrant in subgroup 3.5 and another who represented the Bronze winner in subgroup 3.2. It did not mean that there were no interesting people who represented the unawarded entrant and the Bronze winner in subgroup 3.6. But I also used other factors to consider who would be appropriate interviewees, for example, the agencies they were in, the competition years they participated in and the possibility of accessing them. The person who represented the unawarded entrant was chosen from people in subgroup 3.5 because she had experiences in more agencies than people in subgroup 3.6. The person who represented the Bronze winner was chosen not because he was in subgroup 3.2 but because he had experiences in one of the top-ten agencies that hardly participated in the Awards. The observation came from a convenor of judges who had been interviewed before interviewing entrant-only people was done. The person who represented the Grand Prix winner did not come from group G at all. It was because Grand Prix winners were either in other groups (A to F) or newcomers. As the newcomers participated in the Awards only once, I decided to choose a Grand Prix winner from group D instead.

After the sample selection, it was agreed that the IPA introduced me to the interviewees by emails and then I emailed them directly to make appointments for interviews. The results were encouraging as most of those who were asked had agreed to be interviewed. There were a few people in the judge-only group (C), particularly client judges, who refused to be interviewed. But they were replaced by those in the same group. There was an interviewee who represented a media owner judge and refused to be



interviewed. Other interviewees in the same group were not appropriate as they participated in the Awards only once or were difficult to access. I had to replace the interviewee by a journalist who wrote many articles about the Awards during 1998 – 2002 although he was not in the sampling frame.

The London interviews were conducted during June – August 2005. Each of them took approximately 45 minutes to one hour. 27 people were interviewed. All of them were executives at the board level or directors of departments. Their experiences covered a wide range of information necessary to explain the Awards. For the judge-only group, one interviewee represented each subgroup of research companies, academics and media owners. Two interviewees represented the subgroup of clients; one represented the ISBA (Incorporate Society of British Advertisers), the official body representing advertisers, and the other represented a business consultancy. For the agency group, most of them had had an experience as account planners. Some of them worked in specialist agencies such as media independents, brand consultancies and communication mergers. They could provide the perspectives of not only advertising agencies but also specialist agencies. There were two people who had specific tasks in advertising agencies; one worked as an econometrician and the other worked as a financial director. Both could provide the information of econometrics and the perspective of procurement people. I also interviewed two chairmen of the Value of Advertising Committee; one was the chairman during the 1980s and the other was the chairman during the 1990s.

26 people were interviewed by face-to-face while one person was interviewed by telephone. It was my purpose to conduct the face-to-face interviews for two reasons. First, I could take notes on the interviewees' responses that would be in turn helpful to interpret the meanings of interview data. Second, the interviewees could not easily cancel the interviews during the interview periods. In contrast, the interviewees might not have

focused on answering the questions during the telephone interviews although one of their advantages was convenience. Most of the face-to-face interviews took place at the interviewees' offices. A few of them were done at the interviewees' houses or the IPA office with the IPA's permission because the interviewees had retired. There was one occasion that the interview took place in a bar near the interviewee's office, which had the effect of noise on the sound recording. The person who was interviewed by telephone in fact had been expected to be interviewed in person. But he was too busy to have the face-to-face interview; thus, I decided to interview him by telephone. All of the interviews were recorded by tape recorder.

Although the interview guidelines were useful, I did not always follow them. People's backgrounds and experiences were sometimes more interesting to be investigated than rigid questions in the guidelines. After interviewing a few people, I decided to select some questions from the guidelines and create some new specific questions based on interviewees' backgrounds. Sometimes, new questions emerged during the interview process if some issues were worth being probed further. Some new questions came from the information provided by preceding interviewees. At the end of certain interviews, I took notes on some interesting issues that were not recorded. There were two cases when I asked the interviewees to answer a few questions by email because the questions had been forgotten during the interviews.

After interviewing all of the people, I found that people could not easily distinguish between the past and present. This meant that their present or recent experiences had an impact on the way they described what had happened. For example, an interviewee had had an experience in a client company before moving to an advertising agency. His responses were based on his experience in the agency rather than the client company although he was being asked the questions regarding clients.

Moreover, people preferred to describe what they had been proud of such as winning a prize or what they were doing because they could not remember the previous events in details. These urged me to find more information from the non-technical literature that reflected people's views at the time they wrote the articles or books.

After all the interviews ended, the data in tape cassettes were transcribed. As I am not an English native speaker, language was quite an obstacle, particularly when verbatim transcription was required. However, I could grasp the main ideas of what people said.

### **Data Analysis**

According to Strauss and Corbin (1998), the process of data analysis consists of open, axial and selective codings. Open coding means interpreting significant words, phrases or sentences in the raw data into concepts which are in turn grouped into what they call "categories". Categories are groups of more abstract concepts. Categories also contain properties and dimensions. Properties are characteristics or attributes of the categories while dimensions are ranges or nuances where the properties are located. The second step is axial coding which means making connections between categories in which contexts, causes and consequences are considered. The final step is selective coding which means finding the core category that represents the storyline. However, it is argued that researchers do not need to include these three steps in their analysis. Axial coding is the most criticised as it might inhibit the freedom of interpreting the data. Some sociologists such as Charmaz suggest that only open and selective codings are necessary (Bryman, 2004).

For this thesis, I relied more on axial and selective codings than open coding. At the early stage, the function of open coding was to interpret data into concepts but not to

combine the concepts into categories. As the nuances or dimensions of the data always changed throughout the process of data analysis, predetermining the properties of categories based on varied dimensions might have led to the wrong interpretation. Moreover, in other cases, researchers might compare their new explanations with existing theories to see how the new explanations add different perspectives to the existing theories. It means that they probably have some key concepts from the existing theories before conducting the research. Although the new concepts that emerge from the raw data might not be similar to the old concepts of existing theories, the researchers at least have some hints of what to look for in the data. However, these cases cannot be applied to this thesis. Two research questions signify the initial hypothesis that the agency people involved in the Awards may have the alternative paradigm that advertising is not a marketing tool. It is the hypothesis that has not been mentioned in any theory. As grounded theory does not aim at testing hypotheses but use the primary data to modify them for the purpose of building theory, it is possible that alternative explanations to the initial hypothesis may occur. Grouping the concepts into categories in open coding might inhibit other possible explanations that help develop the hypothesis. In other words, allowing the flexibility of modifying the hypothesis as much as possible would be more appropriate. Therefore, I decided to use only ‘concepts’, not ‘categories’, in open coding at the early stage of this research.

After the interplay between axial coding of ‘concepts’ and selective coding, the evidence showed that alternative hypotheses were eliminated. Then, the initial hypothesis was transformed into the main theme of the thesis. At this stage, the concepts were combined into categories. The main theme determined how the categories were interconnected, that is, the flow of the story. Because keeping all the data in chunks cannot create the story, the flow of the story helped me decide which category was

supposed to be chopped into pieces and which category was supposed to be kept in chunks. Then, the raw data from both interviews and the non-technical literature were read again. Only key concepts or phrases necessary for explanation were selected. The relationships among them were adjusted several times until they fit the storyline.

### **Theoretical Sampling**

Theoretical sampling is the sampling method first introduced in grounded theory and now widely used in most of the qualitative methodologies. It differs from statistical sampling used in the quantitative approach. While statistical sampling focuses on the number of people selected to be a sample, theoretical sampling focuses on the concept emerging from the data. It is the reiterative cycle between data collection and analysis. The results from the analysis after the first data collection guide where to find the next source of data and the collection method. During the interplay between data collection and analysis, the theory is emerging from the analysis results. The researcher is expected to repeat the cycle until the theory saturates (Strauss and Corbin, 1994; Bryman, 2004; Punch, 2005).

The first source of data in this thesis was the *Advertising Works* series. Analysing them led to two research questions and the initial hypothesis that agency people in the Awards might have suggested that advertising was not a marketing tool. As it is possible that the initial hypothesis may have been challenged by an alternative one, the interview questions should have been open as much as possible. The questions in the interview guidelines consist of professional experience in advertising effectiveness, the participation in and opinions towards the IPA Awards, and opinions towards the competitive award schemes. If the initial hypothesis is right, there would be some

indicators emerging from the results of interview data analysis. But if it is wrong, at least how the alternative relates to the IPA Awards is expected to be known.

After the interview data were collected, I found that the results did not directly link to the initial hypothesis. Moreover, asking the interviewees direct questions about the hypothesis did not work. For example, Gary Duckworth said that he did not understand how the question ‘what is advertising?’ related to the IPA Awards. Meanwhile, the interview data did not indicate the alternative hypothesis. The answers to the questions of interviewees’ experience in advertising effectiveness were very diverse. So were the answers to additional questions created during the interviews. Key words and phrases did not clearly emerge; therefore, constructing the concepts and categorising them were unable to happen. The answers to the questions of competitive award schemes were the only part that the results were not much different. What were interesting were the answers to the questions of the IPA Awards. The interview data about the Awards indicated three issues. First, the IPA Awards were the award scheme for agency people. The agency interviewees, whatever position they were such as the VAC members, judges or entrant, provided more details about the Awards than the interviewees who came from other communities such as clients, research companies or business consultancies. Agency people gave strong and diverse opinions while people from other types of organisations gave general opinions. Second, the agency people could be divided into two groups. The first group valued the Awards in learning the new knowledge of advertising effectiveness while the second group valued them in managing the award scheme and using it for the business purpose. Some people in the first group showed their ideas that were consistent with the non-marketing view of advertising; on the contrary, opinions of people in the second group tended to relate to the aspect of being an award scheme. More specifically, the first group could be called theorists whereas the second group could be called

pragmatists. Finally, agency people who were involved in the Awards several times or positions, for example, being an entrant before becoming a judge, seemed to know the Awards very well. They provided both broad and deep information. More importantly, they knew each other, created the Awards network and persuaded potential people to join the Awards.

Interviews were the second source of data and their results provided the information sufficient for describing the aspect of being an award scheme. When both sources of data were compared, it seems that the key concepts emerging from the *Advertising Works* series and the interviews divided the study of the IPA Awards into two parts: the alternative paradigm of non-marketing advertising and the aspect of being an award scheme. And both sources of data did not give any clue to the next source of data. There was a source of data that the first and second sources did not pinpoint but was highly associated with the IPA Awards. One might choose to analyse the Awards' entries and expect the results that reflect the alternative paradigm. But it is, in my view, wasting the source of data. After reading the 1980 – 2002 Grand Prix winning Awards' entries, I found that the Awards' entries would give the valuable information about theories or principles of advertising effectiveness in details. It would be more useful to compare the research results from the Awards' entries with the American advertising effectiveness theories. Marketers and agency people, particularly American, take the dominant paradigm of advertising as a marketing tool. Theories about advertising effectiveness are therefore explained on the basis of such paradigm. But the alternative paradigm in the IPA Awards seems to defy the orthodoxy generally believed by marketers and even most agency people. Because the content of the alternative paradigm has not been discussed, it is necessary to describe the concept of non-marketing advertising before probing further into more specific issues of advertising effectiveness theories used in the Awards.

Although there might be a chance that the alternative paradigm is wrong, the analysis of the Awards' entries is not yet necessary. The results tend to explain the aspect of advertising effectiveness alone without showing the link to that of being an award scheme.

The interview data might suggest one to study the Awards on the aspect of being an award scheme. Although admitting that it is interesting, I would argue that it should be the minor theme of the thesis. The literature on advertising awards in the previous chapter suggests that the aspect of being an award scheme closely relates to the concept of agency-client relationship. However, the concept of agency-client relationship is obviously marketing-based. Although it is more likely to show the equal power between agencies and clients by studying how agencies and clients improve their relationship in order to facilitate the working process, its ultimate goal is to help achieve clients' objectives. The concept of agency-client relationship therefore tends to persuade agencies to explain their own behaviour on the basis of clients' view. But the idea of isolating advertising from marketing is not marketing-based. Thus, it seems to be in a different domain from the existing theories of agency-client relationship rather than being a new explanation within the existing theories. If the idea of isolating advertising from marketing is in the different domain from the concept of agency-client relationship, it is obviously a different aspect from being an award scheme. Between the two aspects of the IPA Awards, the aspect of isolating advertising from marketing is more important. Starting the study of the IPA Awards with the aspect of being an award scheme cuts out that of isolating advertising from marketing. It is because although the aspect of being an award scheme might give a new explanation to the concept of agency-client relationship, it is still in the domain of agency-client relationship theories. The aspect of isolating advertising from marketing is absolutely ignored because the existing theories cannot send the link to something that is not in their domain. In contrast, the aspect of isolating



advertising from marketing can send some link to that of being an award scheme. The new paradigm has to find some way to relate itself to the existing paradigm. Although I was not completely sure that the link would happen at the beginning of research, it is better than concentrating on the aspect of being an award scheme and neglecting the new paradigm.

That is the reason why I decided not to conduct the interview research further. The information about the alternative paradigm of non-marketing advertising initially came from the *Advertising Work* series. The people who wrote them were the convenors of judges. All of the convenors who were still alive had already been interviewed. Other agency interviewees who had been interviewed did not mention the alternative paradigm. Although they had the character of theorists and realised the value of learning advertising effectiveness from the Awards, they did not express the pride of being advertising people who knew advertising better than marketers as much as the judge convenors. From the list of available interviewees in the sampling frame, there were many other agency people who could be added into the sample. But they might have given the information about other aspects of the IPA Awards than non-marketing advertising. The other aspects might have been the value of learning advertising effectiveness, managing the Awards, using the Awards for the business purpose or anything else. However, I preferred to make sure that the initial hypothesis of the alternative paradigm was falsified by other possible explanations before moving my concentration to other attractive aspects of the Awards, if any. Other agency people who had been interviewed, though they did not have a radical view as much as the judge convenors, never expressed any idea opposed to the alternative paradigm. In this sense, the initial hypothesis was still valid until the evidence tended to suggest the opposite.

The judge convenors, as the authors of the Advertising Works series, were the people who should have known best about the alternative paradigm. Therefore, they were supposed to be able to give some clues of the next source of data. Paul Feldwick and Tim Broadbent were the convenors who gave the clues. Feldwick (Interview 28 June 2005) was Broadbent's close friend. He also knew Simon Broadbent very well. The information from the *Advertising Works* series indicated that the judge convenor was trained by the previous convenor to make sure that the present convenor understood and maintained the essence of the Awards. Feldwick was perhaps luckier than other convenors in that he was trained by not only Charles Channon, his preceding convenor, but also Simon Broadbent, the founding father of the Awards. Both of his predecessors shaped his thought of non-marketing advertising. Feldwick did not express the concept of non-marketing advertising explicitly. But he showed the hostility towards clients and research companies when he talked about research on advertising effectiveness. So did Tim Broadbent. This point led me to find out whether the conflict between agencies, clients and research companies related to the concept of non-marketing advertising. And it will appear as the context of the history of the Awards in Chapter 4. More information about the conflict among the three groups was not easily available. Most literature on market research hardly mentioned the conflict. The only part that seemed to be useful was the history of market research which was very brief. One might suggest me to gain more information about the conflict by interview research. I would argue that the interview research would create another research project about the conflict within the advertising industry rather than gaining the information sufficient for describing the context of the Awards. Moreover, market research had its origin in the last century which was too long for a person to remember any detail.

In addition to Feldwick, Tim Broadbent (Interview 4 July 2005) gave another clue to the next source of data. He suggested me to read his father's books such as *Spending Advertising Money* if I wanted to learn his ideas. *Spending Advertising Money* was the only book published before the Awards started. It means that his ideas in the book were not influenced by the Awards. Thus, it might have provided some information about his motivation to establish the Awards. In fact, Tim, his son, talked about his father's motivation. But to learn his theoretical thinking, reading his book was the most direct means to understand it. However, Simon Broadbent did not say anything about his motivation in his book. What was interesting in his book was an unclear sentence indicating the relationship between media planners and account planners. Account planners were most of the Awards' participants – as either the VAC members, judges or entrants. The history of account planning indicated the conflict between agencies and research companies, which seemed to fit the concept of non-marketing advertising. It also related to the history of market research. But the history of account planning never talked about the relationship between account planners and media planners. Rather it talked about the account planners' contribution to creative people. Simon Broadbent was an expert in media planning and the father of the Awards. Most of the Awards' entrants were account planners. But there was no sign indicating how account planners contributed to media planners or vice versa. It was a missing piece of jigsaw that could explain the concept of non-marketing advertising in the Awards. How Broadbent brought in the knowledge of media planning to prove advertising effectiveness in the Awards will be described in Chapter 5.

It seems that Feldwick's and Broadbent's clues guided me to explore the non-technical literature rather than the interviews. In addition to Simon Broadbent's publications, other agency people's books or articles were examined to create the links of

the main issues. Among these people, Stephen King was another key person who was supposed to form the Awards at the early stage. He was one of the two fathers of account planning, one of the Awards' judges during the first decade, set the judging criteria of the Awards. Almost every judge convenor cited his words as to the judging criteria in the *Advertising Works* series. Among the primary components of the Awards – entry requirements, entry categories, numbers of entries, numbers of judges, judging criteria and prize structures – the entry requirements and judging criteria were the components that did not change during the two decades of the Awards. They implied the theoretical part as opposed to the strategic part such as entry categories and prize structures. The strategic part was the method of managing the Awards to make them more interesting and attract more entrants. The theoretical part involved learning advertising effectiveness and ultimately the challenging concept of non-marketing advertising. As a result, the entry requirements and judging criteria were highly associated with the concept of non-marketing advertising. In this sense, King was supposed to be as important as Simon Broadbent. Although King did not declare himself as another father of the Awards, the results of data analysis showed that his thought would have had a great influence on the Awards. King's expertise was advertising research that contributed to creativity. It means that while Broadbent was keen on the media part of advertising, King on the message part. His concepts will be described in Chapter 6.

The major contributors at the early stage of the Awards like Simon Broadbent and Charles Channon passed away before this thesis started. Stephen King refused to be interviewed because of his serious illness. He died in 2006. One year later, his colleagues gathered his works into a book that helped me to read his thought and interpret it to create the story of the Awards. In my view, reading these people's works was better than interviewing more people for two reasons. First, their works represented their thought. It

was better than interviewing people who knew them except those already interviewed. Second, their theoretical concepts would be better illustrated in writing than speaking. King's colleagues such as Colin McDonald, Roderick White and Judie Lannon could add some explanations to his ideas. Although they are still alive, they would be better to be 'interviewed by reading' instead of tape recorder. Their works are professional biographies that can be used as a primary source of data as well as interviews.

To sum up, the major theme of this thesis is the theoretical concept of non-marketing advertising and the minor one is the strategic management of the award scheme. The theoretical part of the Awards relies heavily on professional biographies of agency people who helped establish them while the strategic part relies on interviews. As the feature of grounded theory is building theory from the empirical data, one might wonder why the interview data – the empirical data coming directly from practitioners – are used less than professional biographies. Many researchers, when using grounded theory, rely heavily on the interview data to build the theory. In my view, it is possible to do so if the researcher does not too much specify the characteristics of interviewees to select them to be the sample. For example, the interviewees might be chosen by speciality (creativity, media planning, account handling) or position (staff member, manager, director). But in this thesis, there are some interviewees who are specified as individuals. Simon Broadbent and Stephen King are the key persons highly expected to reveal the unknown areas of study, particularly the link between the Awards and the hypothesis of non-marketing advertising. They are expected to be interviewed and cannot be replaced by anyone. But if it is impossible to interview them, it is unreasonable for me to find someone to talk about their thoughts rather than reading them directly through their works.

## **Trustworthiness and Limitations of the Research**

Trustworthiness, according to Lincoln and Guba (1985), means the researcher's self-evaluation in order to show whether his or her research is valuable and acceptable for other researchers under the universal academic principles. Because the nature of the qualitative approach is subjective, trustworthiness assures the researcher that he or she maintains the balance between subjectivity and objectivity of the research. Trustworthiness consists of four criteria. In each of them, I shall apply the concept of trustworthiness with my research and identify both advantages and disadvantages of the application. The disadvantages then become the limitations of the research.

### *1. Credibility*

Credibility is concerned with reality. Qualitative researchers hold that reality is not discovered as believed by quantitative researchers but constructed by humans. On the one hand, an entity has a common meaning that people generally use. On the other hand, it has different meanings defined by individuals. Therefore, there is no one reality but multiple realities constructed by different persons. Credibility means the researcher's ability to construct a reality from individuals' multiple realities. The researcher's reality must represent the individuals' realities and be credible in the eyes of the individuals who are the original constructors of the realities. There are five criteria to enhance credibility. First, the researcher must have activities that increase the probability of credibility. They consist of prolonged engagement, persistent observation and triangulation. Prolonged engagement means that the researcher implants himself or herself into the situation and spends enough time to absorb the culture and understand it. Persistent observation means

that the researcher retreats himself and herself from the situation for a while in order to observe which information relates to the subject of study. Triangulation means cross-checking the information among various sources of data or data collection methods in order to confirm the accuracy of it and make sure that the overall content of research findings is completed. Second, peer debriefing means that the researcher allows other researchers to give comments on the work. Third, negative case analysis means whether there is any case or piece of data that rejects the hypothesis. Fourth, referential adequacy means that the researcher keeps some parts of the raw data as an archive. After interpreting other parts, he or she compares the results with the archive to see the consistency of data. Finally, member checks means bringing some parts of research findings back to the informants in order to see whether the researcher's interpretation is what they actually mean (Lincoln and Guba, 1985).

For this thesis, I rely more on the persistent observation than the prolonged engagement. While the persistent observation increases objectivity, the prolonged engagement increases subjectivity. It means that the thesis tends to be objective rather than subjective. As I have never been involved in the British advertising industry, it gives the strength to the thesis. The story of the IPA Awards is that of account planners. Having some background in advertising but in the country that has no account planning made me misunderstand that account planners were account executives. Fortunately, Sven Olsen, the first interviewee, told me that they were different. However, because the interview research was conducted in London, I had no description of account planning at hand except the brief or informal information from the websites. The advantage is that my thought during the interviews was not guided by the literature of account planning. Although account planners often claim that their job is planning the advertising strategy, I would argue that the term 'advertising strategy' is vague. They tend to help creative

people rather than combining both creativity and media planning. Media planning does not gain account planners' attention. If I had known that account planners' job is usually helping creative people plan the creative strategy, my thought would have been influenced by such notion. In this sense, the interview data could not have been objective because they were affected by the previous literature. The prolonged engagement might be important for some research projects, particularly those using ethnography. However, in my view, it would be an obstacle to produce the objectivity to my research.

In addition to the persistent observation, another advantage of the thesis is triangulation. The assumption of non-marketing advertising in the *Advertising Works* series was clarified by the technical and other non-technical literature hinted by the interview data. The comprehensive explanation of non-marketing advertising was then connected back to the information of the Awards' management derived from the interviews. The accuracy of the interview data was shown by cross-checking the same information from different interviewees. The interplay between the literature and interviews proceeded until the missing parts of the Awards' story were fulfilled. The triangulation is supported by referential adequacy. The interview data were split into three parts. The information from the judge convenors was first interpreted to clarify that from the *Advertising Works* series. Then, the interpretation from both sources was analysed with the information from the other agency people. Finally, after building the structure of the thesis, the interview data from people in other communities such as clients, research companies and business consultancies was interpreted to complete the story of the Awards.

While the triangulation and referential adequacy are the advantages of the thesis, its value is traded off against negative case analysis. Because of limited time and resources, there are many points in research findings that the only piece of evidence is



used to explain the causality. The content of the thesis is not only the story of the Awards themselves but includes several causal events before the Awards started. Most of the events are added in order to explain the concept of non-marketing advertising. It is rare to find the document that argues against the dominant paradigm of marketing. For example, it is easy to find the history of advertising which is in fact the history of advertising messages but difficult to find that of advertising agencies. Moreover, because of limited time, the only piece of evidence that can fit the missing part of the story is better than leaving it unexplained. Therefore, the negative case analysis did not appear much in the thesis. Another disadvantage of the research is member checks. Although the research findings were examined by peer debriefing, it would have been better to have member checks as well. Due to the limited time, the interpreted interview data should have been confirmed by the interviewees that the interpretation was what they actually meant.

## *2. Transferability*

Equivalent to the external validity of quantitative research, transferability is applying the research findings to other situations. In the quantitative approach, external validity or generalisation means inferring the findings from samples to the population. But in qualitative researchers' view, the external validity ignores the context of study. It identifies the sending context of the samples and assumes that it would be the same as the context of the population. The qualitative researchers argue that the context of population is in fact unknown. Transferability is therefore seeing the extent to which the sending context of one case and the receiving context of another case are similar. What the researcher can do is providing thick description necessary for other researchers to apply his or her findings to theirs (Lincoln and Guba, 1985). For this thesis, the various contexts

of the Awards are given. Relevant social sciences such as economics, psychology and sociology are the background to explain the alternative paradigm. The organisational context such as the agency structure is also included to explain why it did not work. Other researchers may consider these contexts if they want to study the concept of non-marketing advertising further.

### *3. Dependability and Confirmability*

Dependability and confirmability require a third-party group of people to audit the research process. Confirmability is concerned with the audit trail which means tracing the data back to their various sources (Lincoln and Guba, 1985). The narrative of the audit trail has been presented in the section of theoretical sampling in the thesis.

## **Chapter 3**

### **Marketing and Communication**

#### **Perspectives on Advertising**

Advertising is often seen as a marketing communication tool. But the history of marketing in which advertising is included and that of advertising give a different picture. The history of advertising presents it as communication. Therefore, it is worth investigating the perspectives on advertising from both marketing and communication. In the part of advertising as communication, transmission models of communication are selected as they are the traditional and dominant paradigm to view communication. The relationship between advertising and the transmission models might be less than the degree the reader expects as more details will be described in Chapter 6. This chapter presents the link between the transmission models and marketing. Both have several similarities because their fundamental thinking shares the same philosophy. Various social sciences such as economics, management, psychology and sociology help explain the nature of the transmission models and marketing. Based on scientific thinking, marketers' view of advertising differs from agency people's. And it causes the problem of holding advertising as a marketing tool. The marketers' view of advertising is presented in this chapter while agency people's view of their own business will be presented in other chapters.

## **Definitions of Advertising**

Advertising is like a polygon. It depends on which side or angle is chosen to be seen. For consumers, advertising is anything that a company uses to sell its product. The terms such as publicity, public relations, propaganda and sales promotions can be 'advertising' (Jefkins, 1995: 5; Schultz and Barnes, 1995: 3; White, 2000: 2). In the advertising industry, the meanings of advertising are given more specifically. Typically, it is regarded as one of the various tools of marketing communications whose concept has been developed from promotional mix, one of the 4P's in the marketing strategy. In this sense, it is subsumed under the marketing discipline. The dichotomy of the advertising definitions is emphasised by Gary Duckworth, the 1996 convenor judge of the IPA Awards, that while people inside the industry separate advertising from direct marketing or web companies, people outside the industry, i.e. consumers, tend to call them all advertising (Interview 30 June 2005).

Considering the word 'marketing communication', advertising is the combination between 'marketing' and 'communication'. Some people or organisations in the industry tend to describe advertising as marketing whereas others are more likely to see it as communication. The interpretation of advertising in terms of marketing can be shown as the following examples:

"Advertising presents the most persuasive possible selling message to the right prospects for the product or service at the lowest possible cost."

The Institute of Practitioners in Advertising in Jefkins (1995: 5)

"So advertising is a way of gaining sales effectiveness while keeping selling expenses low."

Jugenheimer and White (1991: 5)

“To summarise, advertising delivers controlled messages to many people simultaneously and at low cost per message.”

Wilmshurst (1985: 15)

“True, it (advertising) tends to take the largest part of the funds spent by companies in talking about their wares to their various publics, and it has managed to attract a glamorous aura ...”

White (2000: 3)

These definitions have some words in common such as ‘selling’ and ‘low cost’ which indicate the marketing emphasis. Although the marketing objective is supposedly to satisfy customers’ needs and wants rather than to sell the product aggressively which is the objective of the selling concept, an increase in sales is still the main objective of the marketing department in a firm. While the advertising definitions in the marketing perspective focus on the business investment, those in terms of communication describe it with the elements of the communication process i.e. senders, messages, media and receivers as the following examples:

“Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.”

The American Marketing Association in Jugenheimer and White (1991: 8)

“Advertisers are private- or public-sector organizations that use mass media to accomplish an organizational objective. ... Advertisers make use of mass media. Nonadvertisers do not.”

Aaker et al. (1992: 1)

“Any paid-for communication intended to inform and/or influence one or more people.”

Bullmore (2003: 8 – 9)

“Traditionally, advertising has been defined as nonpersonal communication of information, usually paid for and usually persuasive in nature, about products, services, or ideas by identified sponsors through various media.”

Schultz and Barnes (1995: 3)

“Advertising is paid nonpersonal communication from an identified sponsor using mass media to persuade or influence an audience.”

Wells et al. (1989: 8)

The above statements indicate the four elements of the communication process. Advertising must have an identified sponsor who is the message sender and uses the mass media to convey the message to a large number of audiences who are the receivers. Also, it should be noted that while the Institute of Practitioners in Advertising (IPA), the representative of the UK advertising agencies, sees advertising as marketing, the American Marketing Association, the representative of the US marketing people, sees advertising as communication. The difference might somewhat have an influence on the creation of each country's advertising effectiveness award scheme. The IPA (Advertising) Effectiveness Awards has since 1980 aimed at proving the effectiveness in terms of business return on investment while the EFFIE Awards organised by the New York American Marketing Association has focused on how the creativity of advertising messages contributes to its effectiveness.

In practice, the definition of advertising is even more confusing when focusing it on either area of 'marketing' or 'communication'. In the marketing term, advertising can overlap with other areas of marketing communications. Some of the sales promotions activities can be called promotional advertising as they deliver promotional messages. Some of the direct marketing activities can be called television or press advertising as they use these media to send the messages directly to the targeted consumers. Public

relations sometimes use corporate advertising that is relatively persuasive and must be paid for. Moreover, defining advertising as a low-cost or selling-objective activity is not sufficient because advertisers include both profit and non-profit organisations. In the communication term, the number of message senders and receivers can be one or more. A classified advertisement does not need an organisation to be a sponsor. In addition, advertisers no longer use only the mass media but a wide variety of communication channels such as leaflets, internet or even special events to deliver their advertising messages. The overlapping and confusion of the term 'advertising' perhaps lead Zyman and Brott (2003: 13) to their definition that "advertising is ... everything you do to communicate something about your brand to your customers and prospective customers." It seems that their definition of advertising gears towards the consumers' view. However, Duckworth (Interview 30 June 2005) argues that although it is helpful to use one overall word, advertising, public relations, direct marketing and other marketing communication tools are not the same thing. Practitioners in each particular area cannot expand the use of the word representing what they do because it becomes less precise and therefore less useful. And this is one of the problems that inhibits them to be professional until they have made a clear demarcation between different activities.

### **Advertising: Marketing or Communication**

Although Nevett and Nevett (1994) indicate that marketing had its origin back to the ancient Greece, the concept of 'modern' marketing first appeared after the Second World War. The marketing concept is the result of the social and economic evolution in the western society. The Industrial Revolution generated factories, assembly lines and product manufacturers. It also improved transportation and commodity distribution.

People in general had better life quality because of higher income and medical progress (Baker, 1979; Cannon, 1992). This was an era of production/product orientation. With emphasis on production efficiency, manufacturers could produce more goods in great volume, with better and consistent quality but in low price. It was the concept of economy of scale. The more quantity of output they produced, the less amount of capital they invested. And it resulted in the cheaper goods they could sell. Firms competed for the superiority of production technology; therefore, the production or engineering units took the lead (Myers, 1986; Oliver, 1990). People moving from rural to urban areas were a huge market for manufacturers. Transportation made it easier for them to reach consumers in other regions. There were more consumers than goods produced; in other words, demand is greater than supply (Hatton and Oldroyd, 1992). The market was dominated by manufacturers or sellers who could produce anything they liked because there were always customers who were ready to buy it. However, the idea that 'there were always customers' persuaded competitors enter the market. They could produce the even quality of goods because production technology could transfer from one manufacturer to another. Manufacturers had such very similar physical product attributes that consumers could not see the difference (Kotler, 1988).

The second era saw the selling concept which appeared during the Interwar period. This was the time of economic downturn that manufacturers could not invest their money in production to improve factories and machine. The number of population reduced and consumers had less income. Demand was growing in the lower rate than supply until both were balanced (Hatton and Oldroyd, 1992). There were more rivals that manufacturers could not compete with product quality. Goods were left in stock and needed to be released. Manufacturers moved their focus from production to distribution and promotion. They had to build a good relationship with retailers who also produced their own brands.



The importance of the production department was replaced by the selling department. Under such circumstance, salespeople had to use the idea of 'hard-sell' or aggressive selling. Whatever tools that helped sell the product were heavily used – advertising, sales promotion, personal selling and publicity (Myers, 1986). Advertisements had strong selling message and some of them were direct response advertising. However, in the era of the selling concept, the market was still influenced by sellers as they decided what to produce and force consumers to buy it. The selling concept is today accepted by some firms. A disadvantage of the selling concept is that top management had a closer relation with the selling department than the production department. When being neglected, engineers seemed to produce whatever they liked and made salespeople's job more difficult to sell it (Myers, 1986). Another disadvantage is that firms entered the situation called the price competition and eventually were unable to survive because they lowered the product price than its cost (Cannon, 1992).

The marketing concept was developed from the selling concept. It began in the 1950s when there was more supply than demand (Hatton and Oldroyd, 1992). Some markets such as Fast Moving Consumer Goods (FMCGs) saturated while luxury product categories had more opportunities to grow. FMCG manufacturers were the leader in using the marketing concept (Baker, 1979). As the market was controlled by buyers, the marketing concept emerged and has been known as the consumer or customer orientation. Consumers' satisfaction means business survival. Manufacturers cannot simply sell everything they produce but have to think what consumers want or need before producing goods. They might conduct research to find it out. With the marketing concept, manufacturers make what consumers want to buy whereas with the selling concept, they force consumers to buy what they have made (Kotler, 1988; Oliver, 1990).

The history of the marketing concept shows that advertising has been a marketing tool since the age of the selling concept. However, a history of advertising told by Nevett (1982), a marketing historian, gives a slightly different picture. Advertising business became important in the seventeenth century along with the rise of newspapers. And after the Industrial Revolution, “advertising was beginning to develop into an effective, if imperfect, means of mass communication” (p. 22). It seems that advertising origin attached more with the media than marketing. It is surprising that Nevett and other authors who give brief histories of advertising as communication such as Dyer (1996), Jefkins (1995), Brierley (1995), Douglas (1984) and Leiss et al. (1990) present the similar content. It includes advertising roles in the economy, where advertising role in marketing is not specified, advertising messages appearing in the mass media, advertising regulation and control, and advertising agencies. According to the definitions of advertising, advertising as communication consists of four elements: senders, messages, channels or media, and receivers. It is true that advertising messages can be categorised into the second element, or advertising agencies can be categorised into the first element. But none of the authors interrelate the four elements. It can be said that the history of advertising lacks the full description of advertising as communication.

The four elements of communication are a basic concept in communication studies. When applying the communication concept to advertising, senders, messages and receivers can be clearly identified. In mass communication studies, senders are media owners; messages are the information appearing in the media; receivers are the audience. In advertising, senders are advertisers and advertising agencies; messages are advertising creativity; receivers are consumers. The difference is in the part of the channels or media. The words ‘channels’ and ‘media’ are sometime used interchangeably although both have different meanings. Channels are the physical means that helps transmitting the signals

while media are the physical means that help convey the messages through different channels (Fiske, 1990; Marsen, 2006; Windahl and Signitzer, 2006). In this sense, channels have the technological meaning while media have the linguistic meaning. Mass communication scholars prefer the word 'media', or in fact 'mass media', to 'channels' because the meaning of channels is more related to natural science, especially engineering, than to social science. But the physical sense of channels influences mass communication studies in that most of them are concerned with the impact of the media technology on the society which is a macro perspective. For example, mass communication scholars are interested in how print or broadcasting technology affects the society. In contrast, advertising people study the media at the micro level. They focus on whether press or television is better to deliver advertising messages at least cost. The subject of the media in advertising people's eyes is not concerned with sociology at all but rather economics. More details about the media issues in the advertising world will be discussed in Chapter 5. In this chapter, although the concept of channels or media in mass communication studies cannot be applied to advertising, it is worth investigating various relationships among four elements explained by mass communication scholars. A traditional way to study the elements of communication is called transmission models of communication.

### **Transmission Models**

Communication scholars who propose the transmission models see communication as process. The relationship between four elements starts from the senders who intend to send their messages through the media to the receivers. The models also suggest the fifth element called the effect of communication which occurs at the end of the process. And if it is the effect anticipated by the senders, the communication can be

called effective. The effect of communication is sometimes called feedback. The feedback generally refers to the natural reaction the receivers send back to the senders. If it is unknown, the senders have to measure the inferred feedback by doing research (Windahl and Signitzer, 2006). Most of them are linear which indicates the one-way process of communication (Fiske, 1990; McQuail, 1994). Popular models include Lasswell's, Shannon and Weaver's, and Westley and MacLean's (quoted in McQuail and Windahl, 1996) as shown in the following diagram:

Figure 3.1 Lasswell's model in 1948 (p. 13)

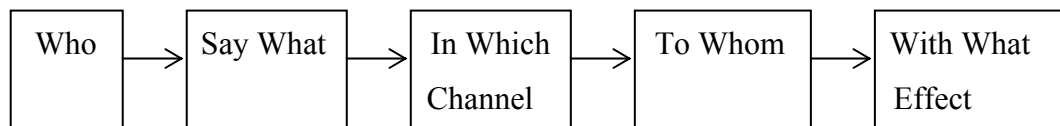
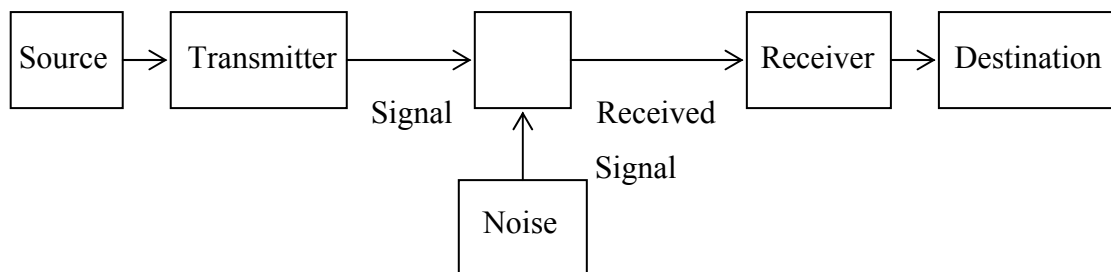
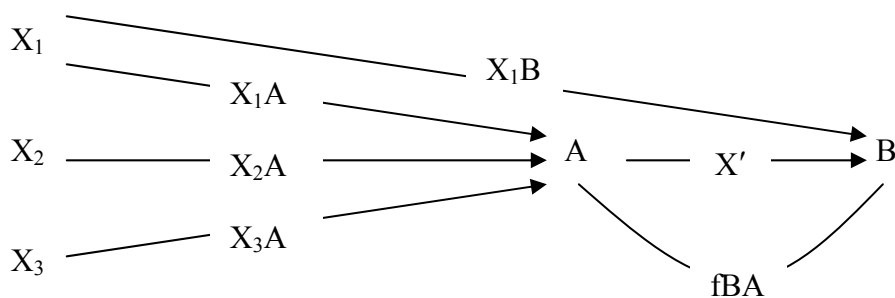


Figure 3.2 Shannon and Weaver's model in 1949 (p. 17)



where the receiver does not mean the audience but the machine or equipment that transforms the signal into the message and sends to the destination.

Figure 3.3 Westley and MacLean's model in 1957 (p. 39)



where A and B are persons;  $X_1$ ,  $X_2$  and  $X_3$  are events;  $X_1A$ ,  $X_2A$  and  $X_3A$  are events perceived by A;  $X_1B$  is the event directly perceived by B;  $X'$  is the event that A selects and transmits to B;  $fBA$  is the feedback from B to A.

The transmission models had their origin in the US in the 1920s when advertising, propaganda and psychological warfare were widely employed. After the Second World War, the transmission models were still the dominant paradigm along with the progress of mass communication technology such as telegraph, radio, television and computer (Carey, 1975; Dyer, 1996). The word 'mass' in mass communication has the similar meaning to that in mass production. Production technology helps produce a large quantity of goods in the same way as communication technology helps produce a large quantity of messages. Mass production needs rapid transportation to deliver goods to consumers. Likewise, mass communication needs rapid transmission to deliver messages to the audience (Carey, 1975). In this sense, the transmission models of communication have the similar background to the marketing concept. The word 'mass' also indicates the nonpersonal action in which there is one sender who sends the message to many receivers. The one-way process of communication implies that the transmission models focus more on senders than receivers (Fiske, 1990; McQuail, 1994). Senders are bureaucratic or industrial organisations or professionals hired by these organisations such as journalists,

entertainers and advertising people. The senders do not know the receivers individually because of geographical or social distance. The senders want to disseminate the knowledge, thought or information to people in remote areas. They are elites who have more power, resource and expertise than the receivers. With more power and resource, the senders determine the objective of communication and select which message to be sent and which media to be used. The objective of communication is generally to control or manipulate the receivers. Messages are centrally produced and distributed by speedy communication technology (Carey, 1975; McQuail, 1994).

The receivers are sometimes called the mass audience. Members in the mass audience rarely know each other but they gather into a large group in order to protect themselves or their interests. Another word that has the similar meaning to 'mass' is 'aggregate'. Aggregation refers to collectivity which is opposed to individualism and elitism – the modernist ideologies dominant in the Western society. Although collectivity and solidarity have positive meanings, the modernist senders often see the receivers as uneducated, undisciplined and irrational. As a result, the mass audience is passive and needs to be controlled. Its response towards the message or interaction with the senders hardly occurs (McQuail, 1994). Mass communication scholars and marketing people have different views towards the concept of mass audience. While marketers insist that they divide the market into segments based on demographic and socio-economic factors, mass communication scholars such as McQuail (1994) and Gitlin (1974) argue that the senders still see the audience as aggregate. The factors used in market segmentation are arbitrarily divided by the senders without the receivers' awareness.

Another characteristic of the transmission models is its concentration on the effects of communication. Windahl and Signitzer (2006) suggest that there are four types of communication effects. The intended and positive effect is what communication

planners hope to achieve. It can be called the effectiveness of the campaign. The intended and negative effect is what they speculate but cannot avoid. The unintended and positive effect is what is beyond their expectation but they appreciate it. The unintended and negative effect is what they do not expect and do not want to happen. Mass communication scholars are interested more in the effects than effectiveness of communication. And when they talk about the effects of communication, they mean the effects of messages. The intended and positive effects of the media are not called effectiveness but efficiency. Most mass communication scholars pay very little attention to the efficiency of communication although they put the media or channels as an element of communication process. Shannon and Weaver's model is an exception. The origin of the model came from Bell Telephone Laboratories in the US where Shannon and Weaver worked during the Second World War. Although they propose that there are three levels of communication problems: technical, semantic and effectiveness, their concentration is on the technical level. The accurate meaning of messages at the semantic level and the influence of messages on behaviour at the effectiveness level depend on the quality of channels in transmitting signals at the technical level. The quality of media reduces noise during transmitting signals and thus increases the accuracy of message meaning. Therefore, the number of signals transmitted through the channels is more important than the content of messages. To reduce noise, the senders need to increase the number of signals, that is, to repeat the messages more frequently (Fiske, 1990). This is what Fiske (1990) calls the strategy of redundancy. For advertising people, it is consistent with the concept of Frequency in media planning that leads to measuring the efficiency of communication. However, advertising people do not gain much benefit from communication studies in developing the knowledge of media planning. The advanced level of media planning is more in debt to economics than sociology and psychology – the

disciplines that make great contributions to studies on the effects of communication. More details of media planning in the advertising industry will be described in Chapter 5.

As stated above, mass communication scholars pay more attention to the effects of messages. During the 1920s, there was a strong belief of the powerful media that appeared in the hypodermic needle theory. It explains that people's attitude and behaviour can be easily influenced by mass communications like the efficacy of injecting the drug into people's bodies. It means that this theory focuses on the efficacy, not effectiveness, of messages. The hypodermic needle theory was dominant during the wartime period along with the application of advertising and propaganda. It was then challenged by the two-step flow of communication theory proposed by Katz and Lazarsfeld in 1955. They suggest that messages from the mass media do not have a strong and direct impact on people's behaviour. Rather, they are filtered by opinion leaders who receive them from the mass media and then modify and disseminate them to people in the communities (Gitlin, 1974; McQuail, 1994). The two-step flow theory seems to parallel with the marketing concept that treats advertising as a marketing tool because it suggests the moderate effects of mass communication. The impact of mass communication is not as powerful as believed but mediated by interpersonal communication. By the same token, mass media advertising is not supposed to be more powerful than other marketing communication tools. Marketing people often say that interpersonal communication or what they call word-of-mouth communication reduce the persuasiveness of advertising. It might be one of the factors that encourages British advertising people to create the IPA Awards.



## **The Background of the Transmission Models**

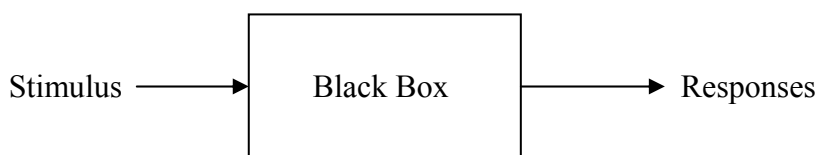
Although Katz and Lazarsfeld created the two-step flow theory in order to abolish the hypodermic needle theory, both are categorised as transmission models because they consider the audience passive. The difference is that the two-step flow theory adds opinion leaders as the intervening variable (Gitlin, 1974; McQuail, 1994). The hypodermic needle theory adopts the stimulus-response model from a branch of psychology called behaviourism. The two-step flow theory adopts another branch called cognitive psychology which adds intervening variables between the stimulus and response. The two-step flow theory is highly related to the hierarchy-of-effect models widely used in the advertising industry. More details about the hierarchy-of-effect models will be discussed in Chapter 6. In this chapter, a broad review of scientific aspects of psychology and sociology will be described as they form the fundamental concept for the transmission models.

Psychologists divide their discipline into five approaches. Two of them are scientific: behaviourism and cognitive psychology. Behaviourism was introduced by John B. Watson who was then regarded as the father of the field. In the early part of the twentieth century, Watson became well-known when he criticised Wilhelm Wundt, a German psychologist, who used introspection to investigate people's conscious thoughts and perceptions. Watson argues that introspection cannot prove people's mental state as it is in their heads. Psychology should have empirical evidence and be proved by objective scientific methods. Introspection is not a scientific method as its results vary from person to person. Each individual is the only person who can observe his/her own mental process, not psychologists. Therefore, introspection is subjective and not a good method for psychology. He suggests that psychology should limit itself to behaviour because it could

be generalised. And the more appropriate method is experiments in which statistics is used to analyse data. Watson uses laboratory experiments with animals as he believes that human and animals have similar physiological and biological nature. In 1913, he wrote the manifesto to define behaviourism that a) psychology must be objective and exclude subjective data such as conscious experience, b) the aims of psychology are to describe, predict and control behaviour and c) there is no difference between humans and animals. Most of his experiments use animals because they are easily available and the experimenter could control the environment to observe behaviour. To Watson, behaviour is moulded by the environment. Thus, he uses the stimulus-response ( $S \rightarrow R$ ) model to explain how the environment or stimulus has an effect on behaviour or responses. His model and concept were dominant and widely considered as orthodoxy in American psychology for nearly 40 years. Despite the popularity of behaviourism, some psychologists criticise that it is too simplistic and mechanistic. Psychology means people's minds and Watson's idea distorts the central notion of psychology. Moreover, individuals are treated as passive beings that have to accept their fate influenced by the changing environment. Human free will and spontaneous and creative behaviour are ignored. It is cognitive psychologists who step in to correct the behaviourist defects (Gross, 2005; Malim and Birch, 2005).

Criticism and dissatisfaction of traditional behaviourism led to what was called the cognitive revolution in 1956. Cognitive psychologists suggest that there are something called mediators or a 'black box' between stimulus and responses. It can be shown as the following diagram:

Figure 3.4



The black box involves the consciousness in the human mind. It is the return of studying the mental process after Wundt's introspection. Cognitive psychologists argue with Watson's concept that although the mental process is not easily observable, it could be inferred indirectly from what people say and do. Cognition means the ways people learn about the world through the process of obtaining, coding, retaining and retrieving information. They include attention, perception, thinking, reasoning, memory, language, problem-solving, concept-formation and decision-making. The cognitive approach began in the late 1950s when American and British psychologists were interested in the contribution of computer science and telecommunications to psychology. Cognitive psychology does not have an obvious founding father like Watson in behaviourism but rather consists of sets of assumptions and concepts. However, there is one thing cognitive psychologists hold in common; that is, they use computers as an analogy of the human mind. In their view, the human brain is very complex and thus it is helpful to find something familiar to explain the structure and function of the brain. They see humans as information processors and how the brain works is information processing as the computer does (Gross, 2005; Malim and Birch, 2005).

In order to explain the mental process, cognitive psychologists create hypothetical models in which the relationship between elements of the mental process is shown. The models are then tested by experiments whose findings adjust the models or suggest a new model. As cognitive psychologists hold that the human mind is systematic as the

computer is and experimentation is required to prove the validity of the models, the cognitive approach is as scientific as behaviourism. The advantage of the models is helping researchers to obtain details and insight of how the brain works, which is better than the simple relationship between stimulus and responses in behaviourism. But the models have the disadvantage. They need a good guesswork to explain the relationship between variables logically. As cognitive psychologists believe that the mental process is inferred indirectly from people's behaviour which includes words and actions, it means that the models do not actually represent the reality of how people process information. The reality of information processing must be supported by physiological evidence, showing functioning of the brain, which is more empirical than the models. Cognitive psychologists argue that while waiting for medical evidence, using complicated models is better than explaining the simple stimulus-response relationship. However, most cognitive models are not as complicated as claimed. Generally, there are two types of the relationship: top-down or bottom-up processing and serial or parallel processing. Both are linear, simplistic and mechanistic, which lead to criticisms over cognitive psychology. Most of them are concerned with the way cognitive psychologists compare humans to computers. Such a comparison fails to realise the difference between humans and machines. For example, computers work as programmed but humans do not. Humans can sometimes forget but computers cannot. Humans have emotion which causes some irrational behaviour but computers have no emotion and work logically (Malim and Birch, 2005).

Being linear, simplistic and mechanistic are also negative features of the two-step flow theory when it applies cognitive psychology. In fact, they are the negative features of the transmission models (McQuail, 1994). It seems that they explain any relationship in a straight line. The structure of the communication elements – senders, messages, media

and receivers – is linear. And within the receivers' mind, the thinking process is also linear. While the explanation of the receivers' mind and studies on the effects of communication are based on behaviourism and cognitive psychology, the structure of the communication elements is perhaps influenced by the structuralist-functionalist perspective of sociology. It was a perspective that flourished until the 1960s. The structuralist-functionalist sociologists believe that society is a complex system that contains structural parts. Each part performs its function and interrelates to other parts in order to keep the society alive and stable. Structural parts of the society often refer to social institutions such as family, education and health care. Some leading sociologists who take this view are Auguste Comte, Herbert Spencer and Emile Durkheim. Spencer is the person who compares the society with the human body where each part such as heart, liver and lung has its function and all are formed into a structure. It can be said that, like behaviourism and cognitive psychology, the structuralist-functionalist sociology borrows the concept from natural science. Its research methodologies are therefore scientific such as surveys and experiments. For example, most research by Lazarsfeld and his colleagues is conducted by the method of surveys (Gitlin, 1974). Shannon and Weaver's model is another example. McQuail (1994) comments that surprisingly it is widely used to explain human communication although its origin came from communication technology which is non-human communication. However, the structuralism-functionalism is not the only perspective in sociology. The conflict perspective focuses on inequality and disadvantaged people. The social action perspective focuses on the social interaction of small groups of people within a specific situation (Macionis and Plummer, 2008; Newman, 2002). The structuralist-functionalist perspective has the philosophical basis on positivism while the conflict and social action perspective are based on interpretivism.

Positivism will be described in this chapter while interpretivism will be described in Chapter 6.

### **Positivism**

Positivism is a kind of philosophy in natural science. It thrived in Central Europe in the early twentieth century and reached its peak, known as logical positivism, in the 1930s and 1940s when European intellectuals escaped the Nazi and disseminated it into English-speaking countries. Many pioneers of positivism were trained as physical scientists such as Rudolf Carnap. Positivism was named by Auguste Comte who divided the evolution of human intellect into three phases. In theological phase, humans worshipped deities whose personalities looked like humans. In metaphysical phase, humans respected nonpersonal forces such as gravity and electricity. In positivist phase, humans believed in abstract concepts that nonetheless could be observed by commonsense. Modern logical positivists have developed Comte's idea into radical empiricism. They suggest that science should be separated from commonsense. Rather, it should be proved by empirical evidence which derives from neutral observations that can be perceived by sensory organs. Sensory experience helps judge what should be knowledge; therefore, any phenomenon that gives knowledge must be tangible or measurable. Anything that cannot be proved by sense is regarded as metaphysical concern (Klee, 1997; Bryman, 2004; Punch, 2005; Hammersley and Atkinson, 1993). Neutral observations indicate objectivity and value-free means in scientific practice. The value-free concept means that scientific inquiry deals with facts, not values. As positivists believe that there is no logical explanation to relate facts with values, value judgement cannot be justified by empirical evidence. In other words, factual statements – what and

how something happen – are the true domain of science. Normative statements – what should happen – are implied by the factual statements because they cannot be confirmed by sense (Punch, 2005; Bryman, 2004; McNeill, 1994; Hammersley and Atkinson, 1993).

Positivism is closely related to quantitative research such as surveys, experiments and statistical analysis. They are known as the hypothetico-deductive method which starts from setting hypotheses and then designing research tools in order to test them. It can be said that positivism aims at testing theory. However, theory cannot be tested unless researchers deprive facts of theory. In other words, positivists believe that the researchers can collect data without the influence of earlier theories. The objectivity of positivism also leads to reliability of research. As the data are obviously and straightforwardly measured by human's senses, every researcher must give the same conclusion. Meanwhile, the researched people must yield the same result when they receive the same stimulus. The research instruments such as questionnaires and experimental designs must be standardised. After all, the generalisation of research findings is required. The researchers use statistics that tells the probability of inferring the event to reality. Statistics reflects another characteristic of positivism – mathematical logic. Positivists appreciate mathematical logic because it is a thinking instrument that simplifies concepts or abstract problems that are difficult to understand. It is the neutral language that gives universal and accurate meanings applicable to any situation. It can be calculated and decreases confusion and ambiguity in the generalisation of findings. Models in cognitive psychology are an example of mathematical logic. After gathering facts piece by piece, positivists believe that they will ultimately lead to uncovering universal laws of nature. The laws of nature identify the causal relationship between variables in the phenomenon and that between the phenomenon and others. The laws of nature imply the absolute truth or monothetic knowledge that is independent of both researchers and researched people

(Klee, 1997; Punch, 2005; Bryman, 2004; McNeill, 1994; Hammersley and Atkinson, 1993). In sociology, it leads to determinism which means the impact of external social forces on passive people (Babbie, 1995; McNeill, 1994).

Positivism influences not only psychology and sociology but also communication studies. The transmission models of communication, which is fashionable in the US, have been developed from behaviourist and cognitive psychology as well as structuralist-functional sociology. The main research methodology is the quantitative approach which includes surveys, experiments and statistical analysis (McQuail, 1994; Fiske, 1990). The difference is that while positivists do not count normative statements as science, McQuail (1994) sees the transmission models as normative. To him, science is not an objective account but has political involvement. Science is a manipulative tool within a society and between societies. Elitists use it to decide what is good for laypeople. The Western society uses the scientific transmission models to dominate the third world in terms of what is called development communication. It means that science deals with not only facts as suggested by positivists but also values. Perhaps, the discipline that clearly specifies the difference between descriptive and normative statements is economics. And it is economics that provides the basis for marketing.

### **Economics and Marketing Theories**

Economics is studies of how to efficiently use scarce resources to satisfy needs and wants of everyone in the society. It is divided into two main areas. Microeconomics examines the reciprocal relationship between firms as the production unit and households as the consumption unit under the government's control. Macroeconomics involves the larger area of the national and global economy. Economics is one of the earliest social



sciences that employs natural science to explain social phenomena. Unlike sociology that introduces the interpretivism, the paradigm that is assumed to stand on the opposite of positivism, economics rarely introduces an extremely different philosophical position from natural science. In this sense, economics is always regarded as science, not art. Based on science, economists use three methods to find out the answers of economic questions. They might compare the data from historical records. They might use statistical analysis called econometrics. Or they might conduct experiments if necessary. Economists also divide the economic questions into two types. Positive statements are full of facts which can be proved by empirical evidence. Economists usually agree on the positive statements. Disagreements might occur when insufficient evidence is found but can be resolved by scientific methods. Normative statements are concerned with value or ethical judgement which cannot be proved by scientific methods. Economists argue on the normative statements more than the positive statements (Parkin et al. 2005; Samuelson and Nordhaus, 2005).

The history of marketing, as described earlier, indicates that marketing is closely related to economics. The marketing concept emerged from the situation that supply exceeds demand. Famous marketers such as Philip Kotler and Michael J. Baker were trained as economists before becoming marketers. But economists such as Hatton and Oldroyd (1992) see that marketing is art which has the practical basis and uses the qualitative approach while economics is science which has the theoretical basis and uses the quantitative approach. Marketers seem to admit economists' accusation. The theoretical problem of marketing comes from the fact that marketing borrows a wide variety of social sciences into its application. Baker (1979) cites Halbert's *The Meaning and Sources of Marketing* that marketing has relied heavily on other disciplines such as economics, laws, psychology, sociology and mathematics all of which include concepts,

techniques and data. The borrowings lead to marketers' attempts to define the core concept of their subject and establish it as science.

Crosier (1975, quoted in Baker, 1979) finds more than fifty definitions of marketing and summarises into three groups. The first group sees marketing as a process or function in an organisation. Marketing is one of the organisation's departments that facilitates moving products from the factory to consumers. The second group considers marketing a concept or philosophy of business that all departments in the organisation hold in common. The marketing concept increases the organisation's competitive edge by differentiating it from other competitors in which the selling concept was believed and applied. The third group defines marketing as an orientation. It is the combination of the previous two that sees marketing as both process and concept. But Baker (1979) comments that it is unclear and unnecessary to view marketing beyond being a process or concept. It means that there remain two main areas of marketing. It should be noted that marketing as a process is manufacturer-oriented while marketing as a concept is consumer-oriented.

Crosier is not the only marketer whose classification of marketing definitions helps create marketing theories. Sheth et al. (1988) is another group of marketers who realise the ambiguity of marketing boundaries. They do not review the various definitions of marketing like Crosier but probe directly into the existing marketing knowledge and divide it into twelve schools of thought as follows:

Table 3.1

	Noninteractive Perspective	Interactive Perspective
Economic Perspective	<ul style="list-style-type: none"> <li>- Commodity School</li> <li>- Functional School</li> <li>- Regional School</li> </ul>	<ul style="list-style-type: none"> <li>- Institutional School</li> <li>- Functionalist School</li> <li>- Managerial School</li> </ul>
Noneconomic Perspective	<ul style="list-style-type: none"> <li>- Buyer Behaviour School</li> <li>- Activist School</li> <li>- Macromarketing School</li> </ul>	<ul style="list-style-type: none"> <li>- Organisational School</li> <li>- Systems School</li> <li>- Social Exchange School</li> </ul>

Their classification is based on two dimensions: interactivity and economics. They use interactivity because it indicates the relationship between manufacturers and consumers. The interactive perspective shows the balance relationship between them and sometimes includes other players such as distributors. In contrast, the noninteractive perspective focuses on either side of the relationship. For example, the commodity, functional and regional schools of thought explain marketing on behalf of manufacturers. But the buyer behaviour, activist and macromarketing schools incline to study consumers. While interactivity is the dimension about people, economics is the dimension about subjects. Economics is used as the other criterion because early marketing theories were developed from economic theories. Marketing is therefore regarded as a subdiscipline of economics. The noneconomic schools of marketing came later which embrace other social sciences such as psychology, sociology and anthropology. The economic perspective concentrates on the efficiency of marketing actors' behaviour, that is, how each of them maximises profits at least cost. But efficiency is not the only aspect of

people's behaviour. The noneconomic perspective adds other aspects of their behaviour from psychology, sociology and anthropology (Sheth et al., 1988).

Sheth et al. (1988) not only describe characteristics of each school but also score it. Among twelve schools, the managerial and buyer behaviour schools receive distinctively high points. The score of the managerial school is 50 which is the highest. It is followed by the buyer behaviour school whose score is 47. The systems and social exchange schools have the equal score of 40. The scores of other schools range from 30 to 39. The lowest rank is the functionalist school whose score is 29. It is not surprising that the managerial and buyer behaviour schools are in the first and second ranks. Most modern marketing textbooks whose titles include the word such as 'introduction', 'principle' or 'basic' are written on the basis of the managerial school. The buyer behaviour school is evident in textbooks and articles under the subject of consumer behaviour. Both of the marketing schools give the theoretical background for analysing the IPA Awards. As a result, it is worth investigating each of the two schools in details.

### *1. The Managerial School*

It is surprising to find that marketers have not described the historical relationship between marketing and business management as much as that between marketing and economics. Baker (1979) is one of them who tell the origin of marketing in economic terms rather than management. Lichtenthal and Beik (1984) are another example. Their article on the history of marketing definition starts with the period of identification from 1900 to 1920 followed by the period of functions from 1921 to 1945. In both of the times, the marketing concept was still strongly attached with economic theories. For example, L. D. H. Weld suggested that marketing was part of production which was one of the three

economic activities: production, distribution and consumption. As production was seen as the creation of utilities, marketing was part of it which was divided into form, time, place and possession utilities. Moreover, marketers tried to analyse the functions of marketing in business organisations, for example, assembling, storing, financing, assumption of risk, standardisation, selling and transportation. In the period of formation and consolidation from 1946 to 1955, while marketers continued to use economics, they began to apply other social sciences, particularly psychology, to their discipline. It was the time when marketing was separating from economics. The managerial school appeared in the fourth period from 1956 to 1965. Since then, its use has been expanded into other institutions such as hospitals and universities. It is known as social marketing.

Sheth et al. (1988) add more details on the history of marketing thought than Lichtenthal and Beik. The managerial school is the end product in the economic perspective. It has been developed through the noninteractive and economic category such as the commodity and functional schools and then other schools in the interactive and economic category such as the institutional and functionalist schools. The commodity school began in the early 1900s with a simple idea. Marketing was about transaction and the product is an object of the transaction. Therefore, the good way to study marketing was the classification of products. At the same time, the functional school emerged. It was the same as what happened in the period of functions described by Lichtenthal and Beik. The similarity between the commodity school and the functional school is that they concentrated on the manufacturers' view which was noninteractive. The institutional school rectified the imbalance by introducing other marketing players such as distributors and consumers. However, it focused more on the distributors or middlemen than consumers. The institutional school studied the relationship between manufacturers and distributors. Another school in the interactive category is the functionalist school. Wroe

Alderson, the only contributor of this school, explained marketing as a system and how it worked. He also added structuralism and positivism into studying marketing, which was the beginning of establishing marketing as a science (Lichtenthal and Beik, 1984). Alderson's works became an initial influence on the managerial school. Like Lichtenthal and Beik, Sheth et al. note that the birth of the managerial school was the time when marketers began to separate their discipline from economics. As they state, in the late 1940s and early 1950s, economic theories began to wane when they could not be applied to the complex world of business practice. Some marketers therefore brought the management concept into marketing.

Lichtenthal and Beik, and Sheth et al. illustrate the historical picture of marketing definitions and theories as born out of but then separated from economics. Their conclusion sounds as if management is an alternative to economics and makes marketing a distinctive discipline. In fact, management has the background from economics as well. Robbins and Coulter (1996) indicate two main historical factors that initiated the formal body of knowledge in management. First, Adam Smith, the founding father of classical economics, introduced the concept of labour division in 1776. He concluded that division of labour increased productivity, and workers' job specialisation induced an economic advantage. Second, the Industrial Revolution created mass production, rapid transportation and large business firms. They needed managing skills to mobilise the business. Drucker (2007), a guru of business management, also addresses the economic background of management. It is true that other organisations than business such as the army, church and government need management. But managing business is different from managing other types of organisations. The primary goal of managing business is economic results while the army, for example, has the primary goal of security, not economic results. Therefore, to evaluate managers' performance in other terms than

economic, such as private affairs or the impact of the business on the society, is misleading. However, in Drucker's view, managers have a different perspective from economists. First, while economists aim at profit maximisation of the firm, managers target on sufficient profits that can cover risks and losses. Second, and perhaps more importantly, economists see businessmen as a passive creature. Although they have many choices to take action, the success of their businesses depends on their adaptive ability to external environments – the objective forces that cannot be controlled by them. Drucker argues that managers are not like economists in that they are not the creature but rather creator of the economy. They are active to the environments. The success of their businesses depends on finding the economic forces and changing them into the businesses' opportunities. From Robbins and Coulter, and Drucker's view, it might be concluded that although management was born out of economics, it in turn created a different perspective, detached from economics and has established its own area of knowledge.

What has been missing in the history of marketing is the explanation of the relationship between marketing and management. Although marketers claim that management is one of the marketing approaches, their theories based on the economic dimension in fact have followed the approaches in management studies. The evolution of management thought shows four main perspectives. The classical perspective which began in the late nineteenth century and early twentieth century is the oldest. It consists of scientific management, administrative principles and bureaucracy. They have different orientations. Scientific management focuses on the production efficiency. Administrative principles aim at functions of total organisations i.e. the responsibilities of general managers. Bureaucracy emphasises the hierarchy of authority. The second group which was popular during the 1930s is called the human resource perspective. It consists of the

Hawthorne Studies, human relations movement and behavioural science. All of them are concerned with the application of psychology to improve workers' efficiency. The third group is the quantitative approach which includes operations research and management science. Mathematics, statistics and modelling were used to solve the military problems during the Second World War and then introduced to the business area. Finally, the contemporary perspective consists of systems and contingency approaches. It began during the 1960s (Daft, 1991; Lewis et al., 2004; Robbins and Coulter, 1996).

Comparing the chronological development between marketing and management, the parallels between them are found. For example, L. D. H. Weld's concept of marketing is similar to the scientific management approach as both focus on production. The functional and functionalist schools of marketing are consistent with the administrative principles of management as both focus on labour division and functions. The buyer behaviour school of marketing, which will be described later, is associated with the human resource perspective of management. Finally, the managerial school of marketing is the advanced version of the administrative principles of management. Henri Fayol, one of the significant pioneers of the administrative principles, listed 14 basic functions to manage the entire organisation. His method of listing functions is similar to marketers' in the functional school. Fayol also summarised the functions into five main jobs of general managers: planning, organising, commanding, coordinating and controlling (Daft, 1991; Lewis et al., 2004; Robbins and Coulter, 1996). The five tasks of managers have been modified into the four tasks widely used in business management textbooks. They consist of planning, organising, leading and controlling. And they were what Philip Kotler (1988) built into his famous marketing management concept in which analysing, planning, implementing and controlling are explained. Unfortunately, the concept of business management that can fit marketing very well cannot exactly match the business of



advertising agencies, particularly the last part – controlling. The main problem is about the product. Marketers' product includes goods and services but agencies' product is messages. Controlling the quality of goods and services is possible but controlling the quality of messages is questionable. More details about applying the concept of controlling in marketing management to the measurement of advertising effectiveness will be discussed in Chapter 6.

While economists think of their discipline as science and marketing as art, marketers, throughout the history of marketing, have been developing their discipline to be science. Hunt (1976) explains why marketing deserves to be a science. It consists of three elements of science: the focus of subject matter, uniformities that provide empirical regularities, generalisations and laws, and the application of scientific methods. And it should not “have to wait to be knighted by others to be a science” (p. 86). Marketers' goal was achieved in the 1970s and 1980s when the managerial school reached its peak. According to Baker (2000), the four elements of marketing management – analysing, planning, implementing and controlling – reflect the adoption of the scientific positivism into marketing. The managerial school follows the positivist mathematical logic that simplifies the complex world of marketing into a few elements. And the relationship between them is linear. Moreover, the content of most elements also reflects positivism. For example, analysing competitive expenditure and forecasting demand in the analysing stage borrow mathematical modelling and statistics from the quantitative approach of management. The concept of marketing mix – product, price, place and promotion – in the planning stage simplifies several marketing functions into a few components. The controlling stage is the descendant of the scientific management perspective that aims at production efficiency and quality control. Based on the same positivism, the managerial school of marketing is therefore similar to the transmission models of mass

communication. Both of them concentrate on the process and the powerful i.e. the product manufacturers or message senders. The assumption can be supported by Drucker who states earlier that managers are the creators of economy. It seems that the concept of marketing management is producer-oriented, not consumer-oriented as it often claims.

American marketers seem to appreciate the managerial school. Sheth et al. (1988) assign the highest score to the managerial school because of its comprehensiveness. It contains the marketing concept that seeks the consumers' wants before designing the marketing programme. And it demonstrates the marketing functions in the marketing mix. The managerial school embraces and blends the basis of other schools into its application. Therefore, it should be the pillar of the schools in generating genuine marketing theory. Kotler (1988) points out the feature of the marketing concept that it is consumer-oriented. Marketers should study consumers' needs and wants before planning the marketing strategy. However, there is something paradoxical in their explanation. While they emphasise the importance of studying consumer behaviour, the process of satisfying the consumers' wants is based on producers' power in decision making. Among the four elements of marketing management – analysing, planning, implementing and controlling – consumer studies are helpful in determining market segmentation which is part of the first element i.e. analysing. To put it more precisely, the managerial school incorporates the buyer behaviour school at the first stage of the management process. In this sense, although they raise the consumer orientation as the marketing philosophy, their thinking method is still producer-driven. Such conflict in marketing thinking leads to the establishment of account planning in advertising agencies. Account planners claim that their studies are consumer-based as opposed to clients' producer-based perspective. Account planners are most of the IPA Awards entrants. And the origin of their discipline will be described in the next chapter.

Not only is the general structure of marketing management concept producer-oriented, but a specific structure of the concept such as marketing mix is also determined by the producers. Baker (2000) and Waterschoot (2000) comments that marketing mix is in fact the producer-led approach because the producers intend to make goods ‘to’ consumers, not ‘for’ them. Again, it is consistent with the transmission models of communication in which senders produce messages and deliver them ‘to’ receivers, not ‘for’ them. In addition to market segmentation, marketing mix is another key feature of the managerial school. It was introduced by E. J. McCarthy in 1960 when he wanted to differentiate the management approach from others such as the commodity, institutional and functional approaches. Marketing mix is “the choice of the tools which the company intends to combine in order to satisfy this target group” (McCarthy, 1960: 37). The tools are in fact various marketing functions listed by the functional school but McCarthy reduced them into four main areas – product, price, place and promotion. However, European marketers, particularly the Scandinavian school, find some shortcomings of marketing mix.

First, it is simplistic and mechanistic. In reality, there are many variables that affect the marketing process but they are condensed into four groups. Some of them, particularly those that identify the social and institutional context where other groups than producers, distributors and consumers play important roles, might be ignored (Baker, 2000; Waterschoot, 2000). Second, marketing mix is normative. As described earlier, normative statements, concerning value judgement, refer to what it should happen while positive statements, concerning facts, refer to what it is. According to positivists who believe in objectivity and the value-free way, if marketing mix is normative, then it cannot be proved by scientific methods. And the history of marketing shows this fact. McCarthy created the concept of marketing mix from categorising marketing functions on

the basis of their similarity (Waterschoot, 2000). Then, it has become the orthodoxy in the marketing field without any empirical proof. This is the point that American marketers such as Sheth et al. (1988) avoid to talk. What they prefer to say is that marketing is science because it came from economics. Economics is regarded as science although it embraces both positive and normative statements into its studies. Therefore, marketing, based on its background in economics, can be science although some of its concepts such as marketing mix are normative. But the fact that marketing mix as a norm has not yet been proved is found by European marketers such as Grönroos (Baker, 2000). He indicates that no primary research shows how marketing managers actually and successfully apply marketing mix into their practice. Marketing mix is then the concept that academics suggest practitioners. As a result, in European marketers' view, marketing mix as a norm becomes pedagogical and prescriptive (Baker, 2000; Waterschoot, 2000).

Third, Gummesson, another marketer from the Scandinavian school, comments that American marketing management is cut-and-paste work. New bodies of knowledge have been piled up without integration. McCarthy's classification of marketing mix is not integrative either. Each element of the mix is exhaustively described but all of them are not interrelated (Baker, 2000). Among the four elements, promotion is the most confusing hotchpotch. According to Waterschoot (2000), promotion is hybrid. Strategies of product, price and place correspond very well with their generic functions but those of promotion do not. The generic function of promotion is to propose an interesting offer and influence the target group in a favourable way. It is the function for the purpose of communication. Among four elements of the promotional mix, advertising, personal selling and public relations fit well the generic function but sales promotion does not. It is defined as anything that is not advertising, personal selling and public relations that induces purchase. It means that sales promotion does not have the purpose of communication but

rather action. Finally, in addition to the social context, marketing mix neglects the organisational context. The history of marketing shows that the marketing department is the evolved selling department. It means that among the 4 Ps, the main job of marketers is about place. Distributing goods from factories to consumers is salesmen's job. Product and price are not originally the marketing concern. Managing products is under the responsibility of the production department. Pricing policy is the task of the finance department. Introducing the concept of 4 Ps in the organisation makes it hard for other department to accept the expanding power of the marketing department. Moreover, it ignores the relationship between the marketing department and some other departments such as human resource (Baker, 2000; Waterschoot, 2000).

The defects of marketing mix raise the question of whether advertising should be regarded as one of the marketing tools. Being normative without empirical evidence, marketing mix has long been believed and used by marketers. Advertising has therefore been regarded as a marketing tool without such question. The inability to integrate advertising with other promotional tools might justify the existence of the IPA Awards when agencies use them to increase the value of advertising as opposed to sales promotion. Marketing mix shows marketers' attempts to expand their boundaries from functions within the marketing department to taking the marketing concept over the whole organisation. But it causes the conflict within the organisation. In practice, the marketing concept as the philosophy of the organisation is not perpetual as appearing in theory. When the power of the marketing department declines, agencies have to find a new way to define advertising which is not just a marketing tool. And the IPA Awards are the demonstration of advertising redefinition. European marketers, although they argue with the concept of marketing management, cannot help agencies in this issue due to their theoretical conflict. For example, considering Crosier's two groups of marketing

definitions, marketing management lies between the two. The first group is producer-oriented and sees marketing as function while the second group is consumer-oriented and sees marketing as philosophy. But marketing management implements marketing as philosophy on the basis of producer orientation under the name of consumer orientation. Baker, although he disagrees with the 4 Ps and managerial school of marketing, still uses them in his marketing introductory textbook. Perhaps, it is because marketers often see advertising as marketing more than as communication. Some views from mass communication studies have never been talked about by marketers, for example, McQuail's idea that science is normative when it is used by powerful message senders. Marketing people in manufacturing companies are agencies' clients and thus the powerful while the agencies are the powerless. Agencies have to find something to negotiate the power. And the IPA Awards are one of them.

## *2. The Buyer Behaviour School*

Following the managerial school with the second highest score, the buyer behaviour school is well-known among marketers as studies on consumer behaviour. It is in the noninteractive and noneconomic category with the activist and macromarketing schools. Being noninteractive means they concentrate on either side of the transaction. While the commodity, functional and regional schools focus on producers, the buyer behaviour, activist and macromarketing schools focus on consumers. However, there is a slight difference between the three schools. The activist and macromarketing schools tend to play the role of 'watchdog'. Marketing scholars in both schools do not take side on marketers but rather protect consumers' interest. They keep an eye on marketers' activities and report whether and how they create any negative impact on consumers'

welfare and society. The buyer behaviour school, although its concentration is on consumers like the activist and macromarketing schools, does not act on the behalf of consumers. Marketing scholars in the buyer behaviour school study consumer behaviour in order to apply it to the analysing stage of marketing management. In other words, the buyer behaviour school helps marketers develop marketing plans.

Having the noneconomic dimension does not mean that the buyer behaviour school ignores economics. But theoretical economics disappoints marketers because it gives a very limited explanation of consumer behaviour (Joyce, 1963). First, economists are interested in efficiency. They look at consumers at the aggregate level in order to analyse overall market demand (Vakratsas and Ambler, 1999; Fine and Leopold, 1993). They do not see consumers as individuals but rather regard them as small firms that spend resources to maximise utility in order to satisfy their wants. Consumers have to balance between their limited income and maximising product utility. Consumers' maximising product utility operates in the same way as firms' maximising profits. In this sense, consumer behaviour in economists' eyes is the aspect of efficiency only. Second, economists think of consumers on the basis that consumers are rational. They compare logically between utility and price offered by manufacturers. They use rationality and have systematic thinking to determine product demand. It seems that economists see consumers as computing machines rather than human beings (Newman, 1965). Economists accept that consumer choice might occur because of noneconomic factors such as taste and preference. Nonetheless, they do not explain but leave other factors to be the concern of other disciplines. What is their concern is that consumers' motivation is rationality on which most of their explanations are based. In this sense, they ignore other aspects of consumer behaviour (Newman, 1965; Fine and Leopold, 1993). Finally, economists see consumption in terms of inputs as opposed to production in terms of

outputs. When firms offer goods and services to consumers through their marketing activities, consumers' expenditure on goods and services becomes sales volumes of the firms. This is the limitation of economics – seeing the relationship between firms and consumers as inputs and outputs only. They leave marketers the question of 'why' consumers want the product, or more specifically, why they pay for the firm's goods and services instead of competitors' (Newman, 1965). In other words, economists do not help marketers understand consumer reactions towards their marketing programme. It is other social scientists who give clearer answers to the questions of 'how' and 'why' consumers want the product and their reaction towards the marketing programme.

As economics cannot give marketers full explanation of consumer behaviour, the buyer behaviour school brings in other social sciences. Although the school claims that its domain covers a wide variety of social sciences including psychology, sociology and anthropology, its research interest focuses on psychology more than others. It is interesting to examine why marketers pay more attention on psychology. First, the managerial school adopts the management concept. One of the management perspectives borrows heavily from psychology, that is, the human resource perspective. To apply the buyer behaviour school effectively to the managerial school, the buyer behaviour school should have the knowledge background similar to the managerial school. Second, psychology gives marketers more descriptions of what happens between the inputs and outputs than economics. In fact, a branch of psychology called behaviourism has similar thinking to economics; that is, behaviourists' stimuli and responses are similar to economists' inputs and outputs. But psychology is more advantageous than economics in that it has cognitive psychology that describes the mental process between stimuli and responses. Moreover, cognitive psychology has similar thinking to economics in that it sees consumers as rational and machine-like as economics does. Finally, psychology



focuses on internal factors of individuals. Compared with sociology and anthropology which concentrate on external factors such as social norms, values, traditions and culture, internal factors are more interesting in marketers' eyes. Social regulations and culture are something beyond marketers' control. They are other stimuli than marketing activities that can support or inhibit the activities. What marketers can do is to study them in order not to violate them. They are the things that marketers have to comply with, not to change. Based on scientific positivism in which the sense of manipulation is embedded, social regulations and culture are unlikely to be appreciated by marketers. In contrast, internal factors in psychology give marketers power to control consumers' mind. They explain how to change their awareness, comprehension or attitudes by the marketing programme. Although models in cognitive psychology still need further investigations and proofs of what actually happens in consumers' mind, they are better than social regulations and culture that do not show the power of marketing. That is why the larger amount of research on consumer behaviour is psychology-oriented.

Although psychological theories attract marketers' attention, a research methodology widely used in psychology has a problem. Most studies in behaviourism and cognitive psychology use laboratory experiments. A few small samples in laboratory experiments do not give the sense of aggregate or mass consumers like economics. Moreover, laboratory experiments operate under the artificial setting. Their results cannot be easily applied to the real world of business. Marketers then began to search for an alternative methodology – social surveys. Surveys do not actually have their roots in sociology. The father of surveys was Charles Booth, a wealthy ship owner, who conducted a survey about the poverty of working class in 1886 and published the results in 1889. Booth was not a sociologist but his work inspired other people such as Benjamin Seebohm Rowntree and Arthur Lyon Bowley to develop the survey method during the

beginning of the twentieth century (Moser and Kalton, 1992). Rowntree and Bowley were not sociologists either. Rowntree owned the confectionery factory while Bowley was a statistician and an economist. Although both were not sociologists, their research interest was about social problems, particularly poverty. Because the research content of earlier surveys concerned social problems, surveys seem to be categorised as a major research method in sociology. Although Babbie (1990) indicates that Marx and Weber used surveys for social inquiry, surveys seem to be consistent with Durkheim's structuralist-functional perspective of sociology. Structuralism-functionalism provides the systematic procedure of conducting surveys. The whole process is divided into parts. Each part has its own function and relates to one another to form the structure. In this sense, survey researchers suggest the step-by-step process for others to follow, for example, identifying the research problem, setting hypotheses, designing sampling, testing the research tool i.e. questionnaires, and collecting and analysing data.

Surveys became popular in market research during the 1930s when positivism and Lazarsfeld's influence were dominant. They were used in media or audience research such as readership surveys and message research such as brand awareness and attitudes towards advertisements (Moser and Kalton, 1992; McNeill, 1994). They are better than laboratory experiments in that they study consumers as aggregate. Because the purpose of most surveys is descriptive, surveys give marketers more details of consumers. In social surveys, there are three types of respondent data frequently wanted to know: demographics or characteristics, opinions or attitudes, and behaviour. Sociologists use the process of conceptualisation and operationalisation to transform the abstract social concepts such as delinquency and prejudice into more tangible and measurable things such as opinions and behaviour. After collecting the data, people's attitudes towards and behaviour in certain situations then infer back to the abstract concepts (Babbie, 1995;

Moser and Kalton, 1990). But social theories are not marketers' concern and psychology also studies attitudes and behaviour. Marketers therefore replace the research content based on sociological theories with psychological variables such as awareness, recall and liking that never appear in sociology. They appreciate surveys because surveys have the systematic and structural procedure that is consistent with their belief of positivism. That is why they use surveys as a research method without taking sociological theories into account.

According to Sheth et al. (1988), while the buyer behaviour school has made a great progress in theorising about consumer behaviour, its content gradually separates from the domain of marketing. It is because the buyer behaviour school concentrates more on embracing other social sciences into their studies than their application to marketing. It might indicate the fact that perhaps the buyer behaviour school does not belong to marketing only. In fact, people who have made greater contributions in studying consumer behaviour than marketers are advertising agency people. The next chapter will explore the history of market research in which consumer behaviour studies are included. The history will show that behind the marketing success, it was agency people who developed market research to support any marketing decision. When the situation changed, the agency people had to find a new way of studying consumers. And the new way is known as the IPA Awards.

### **Conclusion**

There has been a strong belief that advertising is part of marketing, or more specifically, one of the marketing communication tools. The definitions of advertising show the dilemma of whether to see advertising as marketing or communication. The

history of advertising indicates advertising as communication. But that of marketing talks about advertising as a marketing tool without mentioning communication characteristic of advertising. The dilemma leads to probing each perspective extensively. As the definitions of advertising as communication indicate the elements of communication, theories of communication that explain the relationship among them are worth considering. The transmission models are one of the theories suggested. They have the backgrounds in behaviourism, cognitive psychology and structuralism-functionalism of sociology. All are influenced by the philosophy of logical positivism borrowed from natural science. Based on positivist thinking, the transmission models focus on the power of senders and see receivers as passive. The senders can anticipate the desired effects of communication by sending messages to manipulate the receivers. Mass communication scholars who take the transmission models claim that the models are objective and value-free. However, some scholars argue that their view of communication is linear and too simplistic. The models are not objective as claimed but become a powerful tool of elites i.e. the senders.

In the part of advertising as marketing, some contradictory data in marketing are found. For example, the history of marketing often relates marketing to economics despite the closer relationship between marketing and management. One of the problems of marketing is that it borrows knowledge heavily from other disciplines, which results in the various categorisations of marketing theories. Among the twelve groups of marketing theories, the managerial and buyer behaviour schools are the core. Based on positivism, the managerial school sees marketing as process comprising analysing, planning, implementing and controlling. The part of planning has four subsets which are known as the marketing mix. Categorising the details of marketing content into a few groups for simplicity and articulating those groups in a form of linear process make marketing

management look more like the transmission models of communication. Another similarity is that both more emphasise the importance of the manufacturers or message senders than the consumers or receivers. The evidence shows that the managerial school is in fact producer-oriented, not consumer-oriented as claimed. The evidence also shows that marketers do not have a clear view on advertising when they categorise it into promotion. Among the four elements of marketing mix, promotion is the hotchpotch of the residue. It leads to a new perspective that looks at advertising beyond being a marketing tool. And it is the idea that initiates the IPA Awards.

The buyer behaviour school supports the managerial school with research information about consumers. Because economics gives the only aspect of consumers, the buyer behaviour school brings in other social sciences to have broader explanations. Psychology is the dominant discipline in developing consumer behaviour theories. It makes marketers feel that they not only obtain more information about consumer but also have the power to change their mind. Theories in sociology and anthropology are not appreciated because they are the external factors that marketers cannot control. However, psychology has a flaw in research methodology. Marketers therefore borrow the survey method from sociology without sociological theories. They replace the research content of sociology with psychology when they use surveys. More details will be discussed in Chapter 5 and 6. In the next chapter, I shall present the historical backgrounds of advertising agencies and market research as well as the functions in agencies. They will give the reader agency people's picture of advertising which differs from marketers'.

## **Chapter 4**

### **Advertising Agencies and the Conflicts**

Advertising agency people do not work in isolation. They have to deal with people outside and inside the agency. Outside the agency, it works with advertisers or its clients, media owners and research companies. They are the key players in the advertising industry. Inside the agency, people work in different departments such as creative, media, client service and account planning. The relationship between the agency and other organisations in the advertising industry and between people within the agency organisation sometimes could be the conflicts. This chapter will introduce the reader the picture of evolution of advertising agencies from the start as the agents to the full-service agencies and finally the agency fragmentation into specialist agencies. Changes in the agency structure leads to changes in the agency remuneration. And changes in both have great effects on the relationship between the agencies, advertisers and media owners. Inside the agencies, media planners and buyers are the key personnel who facilitate the relationship. Then, the relationship between the agencies and research companies will be explored in the section of market research history. Their conflicts and some other factors lead to the birth of account planning. The relationship between account planners and people in other departments in the agency will be discussed as the account planners are the agency people who are most involved in the IPA Awards. In each section of this chapter, how the internal and external organisational contexts of the agencies affect the IPA Awards will be explained when necessary.

### **Full-Service Advertising Agencies and Commission System**

The history of advertising agencies is rare. Most of the advertising history is more likely to be studied in terms of advertising messages that appear in advertisements. According to Nevett (1982), advertising agencies were born in Britain during the first half of the nineteenth century because of advertisers' need and then grew rapidly during the second half of the century. Advertisers wanted to advertise their products in local newspapers but found difficulties to deal with them. They had to trust the newspapers that they would publish the advertisements as agreed and paid. However, some newspapers cheated or were closed, leaving paid but unpublished advertisements. The advertisers needed someone as an intermediary which was called an agent at that time. The agents were responsible to check which newspaper was better and sometimes paid for the advertisements in advance. Other scholars indicate that advertising agencies came from the media. Dyer (1996), Jefkins (1995) and MacCabe (1985) state that advertising agencies were originally small shops whose purpose was selling newspapers' space or the media's space selling agents. Nevett also indicates that in the second half of the nineteenth century, the publishers granted the agencies commission known as farming. It seems that Nevett gives a contradictory origin of advertising agencies. In Chapter 3, he states that advertising was developed into a type of mass communication after the growth of newspapers. But when talking about the origin of advertising agencies, his ideas contrast with each other. On the one hand, he attaches it with the advertisers who later held the marketing concept rather than the media. On the other hand, he does not give any reason why the agencies received the commission from the media rather than the advertisers. The ambiguity of the origin of advertising agencies – whether they came from

the media or advertisers – perhaps can be clarified by the history of American advertising agencies.

The history of American advertising agencies came after that of British advertising agencies. It started in the second half of the nineteenth century and was the British counterpart (Fox, 1984). The advertising agencies came from newspapers' advertising space salesmen (Goodrum and Dalrymple, 1990; Nicosia, 1974). They then developed themselves to be independent brokers and wholesalers. There were some reasons for the evolution. A disadvantage of being space salesmen was the fact that they could sell their newspaper's space to only some advertisers who expected the newspaper's readers to be their target consumers and had to leave other advertisers to be an opportunity for salesmen of competitive newspapers. Some space salesmen solved the problem by changing themselves to be independent brokers. The brokers could satisfy both the publishers' and the advertisers' wants by matching the readers and the consumers. However, they were unable to take control over the buying-selling prices. The publisher and the advertiser might agree in the compatibility between readers and consumers but disagree in the price. Thus, some brokers solved the problem by changing themselves to be wholesalers. The wholesalers bought a large amount of space from different newspapers and sold them to different advertisers. In this case, the wholesalers could match both target groups and prices for the publishers and the advertisers. The wholesalers were then called the agents. And they were the agents of the media, not the advertisers.

Although the agents thought that they could solve the problem of audiences/consumers and prices, the publishers' and the advertisers' distrust in them remained. Clearly, the agents wanted to buy the space in the lowest price and sell it in the highest price in order to earn the most profitable difference. It contrasted with the



publishers' want to sell the space in the highest price and the advertisers' want to buy it in the lowest price (Nicosia, 1974). Nevett (1982) illustrated the picture of the agents' cheating in Britain during the second half of the nineteenth century. Some agents intended to misplace the advertisements so that they would not pay for the publishers but could charge the advertisers in full. Others accepted more discounts offered by some publishers and persuaded the advertisers to buy the space despite the incompatibility between readers and consumers. Similar kinds of fraud also happened in the U.S. The problem ended in 1869 by N.W. Ayer and Son who introduced the "open contract" (Fox, 1984: 21). Under the open contract, the agent received from the publisher the bill in which the price and commission were quoted. The agent sent the bill to the advertiser and charged it in full. Then, the agent deduced the commission and sent the remains to the publisher (Nicosia, 1974). The open contract was a start of changing the agents' loyalty from the media to the advertisers (Fox, 1984). The agents could prove their innocence to the advertisers by allowing them to examine the agents' buying-selling price and commission (Nicosia, 1974). Jefkins (1995) and Dyer (1996) mention that somewhere in the British history the agents' loyalty had moved from the media to advertisers as well.

Under the open contract, N.W. Ayer and Son had to fix the standard commission rate which rose from 12.5% to 15% (Fox, 1984; Harper, 1963). The standard rate had both advantage and disadvantage. It showed the agents' sincerity to the advertisers but gave an opportunity to the media to slap their back. The media might contact the advertisers without the agents' acknowledgement and offered the advertisers some discount for buying space directly. The agents had to rectify the situation by offering other services to the advertisers such as creativity, production, planning, research and marketing. They became the agent's selling point to contend more advertisers from rival agents (Tunstall, 1964). The agents were then called the full-service advertising agencies

which flourished in the twentieth century. The original tasks of the agents that had been the intermediary between the media and advertisers became the media departments in the full-service agencies. The media department consisted of media planning and buying. Media planners were responsible for matching the media's audience and the advertiser's target consumers, and see which media were selected to reach the target group. They designed media strategy as to the types of media to be used, the periods and frequencies of placing advertisements in the media and the money to be spent. The media plans were supported by research evidence such as the number of people exposed to the media, competitive media spending and cost-effectiveness of the selected media. Media planners were more likely to contact the advertisers than the media. Media buyers were people who made the media strategy happen. Their duty was ordering the planned media time and space, allocating the time and space quota given by the media to different advertisers, and negotiating the price with media owners. The media buying skill was mostly based on the personal relationship between media buyers and media owners' advertising space salesmen. Therefore, media buyers were more likely to contact the media than the advertisers (Wells et al., 1989; Dunn et al., 1990; Tunstall, 1964; White, 2000; Russell and Lane, 1996).

Not only did N.W. Ayer and Son fix the standard commission rate, but it was also the first agency that offered the full services to its clients in 1899. Its job included creating the brand name, writing advertising copy, analysing the market and giving advice about promotion and publicity. Among the additional services, creativity became dominant. The person who promoted creativity to be the prominent function of the agencies was Albert D. Lasker of Lord & Thomas (L&T) agency (Harper, 1963). Lasker was not a creative but worked like a managing director at L&T during the 1900s – 1910s. He was enthusiastic to create L&T to be a “copy agency” (Fox, 1984: 61). It is obvious

that the standard commission rate did not make media buying different among agencies. Lasker's attempt was the result of not only the standard commission rate but also the previous conflict between creatives and advertisers. In the 1880s, John E. Powers worked as a copywriter for John Wanamaker, a department store's owner. Their relationship was rocky. Powers saw advertising as an art while Wanamaker saw it as a business science. Powers ended up with being a freelance copywriter and has become an example of creatives' autonomy. Lasker knew the nature of the creatives. He hired copywriters such as John E. Kennedy and Claude C. Hopkins as full-time copywriters in his agency with high wages (Fox, 1984). The agencies thereafter persuaded the advertisers, some of whom had produced their advertising messages by themselves, that creativity was not the task for amateurs and took it to be the agencies' responsibility (Leiss et al., 1990). Raising the importance of creativity made the full-service agencies have the complete elements of communication. The sender was the advertiser. The advertising message was produced by the creative department of the agency. The advertising media space given by the media owners were allocated by the media department of the agency. The receivers were the target audience or consumers. The nature of the media department was science that the advertisers or agencies' clients could understand. The problem was at the creatives whose work was art. It was not easy for clients whose principles of doing business were based on science. The conflict between Powers and Wannamaker was an early example of that between creatives and clients. The full-service agency had to have another person who worked as a liaison between them. This person was known as the account executive. Although James Walter Thompson was the person who invented the position of account executives, it was Lasker who made account executives become such a significant function of the agencies as creatives (Fox, 1984). The advertising history during the age of Lasker indicates that account executives closely tied with creatives. Both were more

significant personnel than others – perhaps than the media planners and buyers – in the full-service agencies in the twentieth century.

Although the history of advertising agencies shows that they had been developing from advertising agents to full-service agencies, it does not mean that the advertising agents disappeared. In fact, they were still in the advertising business along with the growth of full-service agencies. In Britain, from the late nineteenth century to the early twentieth century, the agents had been expanded into three different types of business. The service agents collected the full commission from the media and offered creative service to the advertisers. The space agents that sold only the media space collected the minimum commission from the media, perhaps 1% in some cases. And the advertising consultants that gave the advertisers advice about creativity were paid by fee (Nevett, 1982). The three types of organisations were similar to modern advertising agencies. The service agents became the full-service agencies; the space agents the media independents; and the advertising consultants the creative boutiques. Similar evidence in the U.S. is also found in Nicosia (1974). He states that some agents preserved their task as space brokers while others transformed themselves into the full-service agencies.

The evolution of advertising agencies indicates the conflicts inside and outside the agencies. First, the conflict inside the agencies occurred when they could not keep the balance between the message part of communication and the media part. During the age of advertising agents, the media people took control over the whole organisation. “The creative content came later. And it was free ... something other than price that they could offer to a client,” said Jeremy Bullmore, a creative guru in the British advertising industry (Interview 9 August 2005). While the agents were being developed into the full-service agencies, creativity was changing from being a free product sample of the agent business to being a dominant function of the full-service agency. The media department became

less important. Although the agencies offered other services than contacting the media to the advertisers, they still used the commission system to earn for living. The agency charged its clients for other services including creativity on the basis of 15% like the media department when it charged the clients for buying the media space and time. It was estimated that 70% of the agency's revenue came from the media buying and 30% came from charges of other services (Broadbent, 1975). The majority of the agency's revenue came from the media department because of the rise of mass media in the 1920s. The mass media brought the agencies a large sum of money. They called the mass media advertising above-the-line advertising as opposed to below-the-line advertising which meant low-budget activities such as sales promotion, point-of-purchase, display and exhibition (Wells et al., 1989; Russell and Lane, 1996; Jefkins, 1995). While the media department was the income source of the agency, the agency promoted creativity as its competitive edge to clients. This contrast led to the problem of measuring the effectiveness of the whole advertising campaign. Advertising as communication should have been valued in terms of both messages and media equally. Throughout the history of full-service agencies, they found it difficult to combine both elements of communication that represented advertising. Marketers did not pay attention to balancing and combining messages and media together. Nor did the American agency people. As long as they held the concept of advertising as a marketing tool, they could use other tools instead of advertising if it did not work. But a group of British agency people who initiated the IPA Awards saw the importance of combining advertising messages and media together and proving the effectiveness of advertising as a whole, not that of the message or media parts separately.

Second, there were the conflicts outside the agencies, particularly between the agencies and advertisers. The advertisers were sceptical of the agencies because the

agencies would gain more commission by selling more space to them despite the fact that they should have saved the advertisers' money (Goodrum and Dalrymple, 1990). However, the commission system was relatively straightforward. The 15% commission rate was standard among large and credible agencies. It was 15% of the gross cost of the media space and time or 17.65% of the net cost. Deducting 15% from the gross cost resulted in the net cost. Then, the agency added 17.65% from the net cost. The result was the client's total payment. Typically, the media that had the large number of audience gave the agency 15% commission. But the media that had the smaller number of audience might give the agency more than 15%. If the agency received the varied commission given by the media, it might be accused of cheating by clients. The agency solved the problem by clinging to 17.65% of the net cost. Therefore, the client's total payment was sometimes less than the media cost. For example, a popular magazine offered 15% commission to the agency and the price of space was £100. The agency deducted 15% of the price and resulted in the net cost of £85. Then, it added 17.65% of £85 to produce the client's payment of £100. It means that the amount the client paid was the same as the media price. Another magazine that was a newcomer offered the agency 20% commission to the agency with the same price of space. The agency deducted 15% of the price and resulted in the net cost of £80. Then, it added 17.65% of £80 to produce the client's payment of £94.12. It means that the agency charged the client £100 for the popular magazine and £94.12 for the new magazine. It would not charge the client £100 for the new magazine and secretly took 20% commission. Clinging to 17.65% rather than the varied commission offered by the media deprived the agencies of the clients' accusation of fraud and raised the professional standard. If the client wanted the popular magazine that reached the large number of audience, it had to pay in full i.e. £100. But if it wanted the new magazine that reached the smaller number of audience, it paid less i.e. £94.12.

It seems that the commission system was fair for both agencies and clients. Agencies could show their honesty in doing business. However, clients were not yet satisfied with such remuneration. They did not like the fix rate – whether it was called 15% of the gross or 17.65% of the net. It made them unable to negotiate the payment. But agencies argued that the clients' ability to pay depended on the number of audience clients wanted to obtain. The agreement continued until the number of audience became problematic. Studying the number of audience was called the audience or media research conducted by research companies. The advertising industry set up the Joint Industry Committee (JIC) responsible for conducting and using the media research. The JIC had subgroups for each medium, for example, JICNARS representing the Joint Industry Committee for National Readership Surveys, JICTAR representing the Joint Industry Committee for Television Audience Research. The JICs consisted of four main parties: advertisers, advertising agencies, media owners and research companies. Most of the media research was quantitative and descriptive. It provided the information of the people's demographic profiles and their media consumption behaviour such as when and how they were exposed to the media. But it never provided the information of why they consumed one medium rather than another. The reason why the JICs could not provide the explanatory information was not the limitation of research methodologies but the conflict about the business interest. Agencies might want to please their clients by offering the sophisticated information of media consumption. But they could not do so because media owners disagreed. From the agencies' point of view, they had to compare between different media in order to select the better media and produce the media mix for clients. If they had the information why people read *Times* rather than *Daily Telegraph* or even why people preferred reading newspapers to watching television, they could be in a more advantageous position than other agencies to impress clients. But from the media

owners' point of view, the explanatory information might cause the turbulence within the media industry. It needed the qualitative psychological methods such as psychoanalysis for the inquiry. The reliability of its results was still in debate. And the results may have been used for a media owner to take advantage over its competitors. Therefore, it was agreed that the industry needed only the basic information about the audience (Brierley, 2006).

While the agencies accepted the JICs' agreement, they were in trouble of trying to prove the effectiveness of their media mix. While the JICs' basic audience information solved the conflict within the group of media owners, it created the conflict between agencies and clients. The basic audience information showed the media exposure, not the advertising exposure. People could be exposed to the media but not exposed to the advertisements. They might watch a television programme but doing something else during the commercial breaks. The media people of the agencies called it the opportunity to see advertisements (OTS) which did not represent the people's real attention to the advertisements. The basic audience information might be sufficient for the media owners but not for the agencies. During the 1960s and 1970s, media planners were trying to solve the problem by developing several techniques, which will be described more in the next chapter, to produce the indicators of the effectiveness of their media plans. But the agencies did not seem to be satisfied with the results. Some indicators such as Reach and Frequency were still based on the JICs' audience information. The agencies then began to attack the research companies for their ineffective research methods. In the 1980s, the agencies launched a campaign that showed their scepticism of the validity of the research method used in collecting the television rating data (Brierley, 2006).

While the agencies fought with the research companies on the subject of audience research, clients began to put another pressure on the agencies. They wanted the agencies



to reduce the commission rate. “15% was a big, big chunk of the clients’ money,” said Mary Stewart-Hunter (Interview 26 July 2005) who works in a media independent. But the clients’ desire had not yet been responded. Most media owners did not allow them to book the media time and space directly. They suggested the advertisers to book them through the agencies (Stewart-Hunter, Interview 26 July 2005). Moreover, agencies were restricted by law that each of them could not serve more than one client in the same business sector (Bullmore, Interview 9 August 2005). It means that in order to survive, the agencies had to maintain the commission rate of 15%. And in order to reduce the clients’ dissatisfaction, the agencies had to prove that the clients’ advertising budgets could generate sales. Media planners began to study how to link the advertising budgets and sales. In some cases, the agencies conducted the research by themselves, particularly the London office of JWT as a spearhead. In other cases, the agencies collaborated with some big-budget clients to conduct the research. The media planners had made a great contribution to developing the knowledge of the sales effects of advertising that was used in the IPA Awards. Simon Broadbent, the founder of the Awards, had a long experience in media planning and brought in the media planning techniques to the Awards. More details will be described in the next chapter.

### **Changes in the Agency Structure and Remuneration**

The commission system was like a cartel (Stewart-Hunter, Interview 26 July 2005). It worked relatively well until the media fragmentation. The cause of media fragmentation came from the competition between television and press. Newspapers and magazines had been the main advertising media until the arrival of the commercial television channel – ITV – in 1955. Television attracted many advertisers to spend their

advertising budgets on it. More advertising expenditure gradually moved from press to television. Regional newspapers and local radio were most affected. In order to survive, they began to segment their readers and listeners into specific groups. Several new newspapers, magazines and radio programmes were introduced to these specific target audiences. The birth of Channel 4 in 1982 and satellite and cable television during the 1990s made the television market more competitive. Television channels started to segment their programmes to serve different types of viewers (Brierley, 2006). Various kinds of media proliferated during the 1990s such as digital television, internet and ambient media. The ambient media were developed from the traditional outdoor advertising. But they added creativity into not only the message but also the media themselves.

Media fragmentation led to the radical adjustment in the advertising industry. The status of the media people was typically lower than the creatives and account executives during the time when press was the only main medium for the full-service agencies. The British media people said that their status was better after the birth of television commercials in 1955. In other words, the status of the media people would be recognised when a new medium emerged. During the 1960s and 1970s, media planners seemed to be more influential than media buyers. New technology such as computer simplified media planners' tedious clerical work and helped produce media scheduling become quicker. Therefore, they had more time to make qualitative judgement between different media, particularly between press and television (Tunstall, 1964). While the media planners were busy with proving how effective or efficient their media plans were, the media buyers did nothing more than contacting the media to assure the clients of available media time and space as scheduled. Sometimes, clients wanted to have particular time or space which was not in the agencies' quota given by the media. The media buyers then negotiated with the

media for the additional time and space. But they never negotiated with the media for the price reduction because the price was imposed by the commission system. The legal restriction that allowed a full-service agency to have the only client in each sector did not encourage the price competition among agencies. No agency had more than 5% of its total market. Because the agencies could not compete with each other in terms of the media price, they turned to promote planning and creativity instead. It can be said that the creative department inhibited the growth of the media department (Bullmore, Interview 9 August 2005). However, the 1980s and 1990s saw the media buyers' regaining their power which had been overwhelming during the age of advertising agents in the nineteenth century. When the media industry generated too many media channels for the agencies to cope with, it gave an opportunity for the media buyers to be free. They started to set up their own organisations called the media independents. And they left the full-service agencies to have the creative part of advertising only. The one-armed full-service agencies were then called the creative agencies which consisted of the creatives and account executives.

In fact, the media independents were not new in Britain. As Nevett stated earlier, the media space agents have still operated since the nineteenth century. They just gave way to the dominance of the full-service agencies during the 1950s and 1960s. In the transition period of 1969 and 1970, Peter Simpson from the US supported Paul Green to start the first British media independent called Media Buying Services. The second media independent was Time Buying Service which was separated from Media Buying Services. The third media independent was different. The Media Department (TMD) came from merging the media departments from six small agencies in 1972 (Ingram, 1989). However, what happened during the 1970s was that most of the media independents were built up as the stand-alone companies since their beginning or from combining the media

departments of small full-service agencies together. The 1980s saw another change in the media part of advertising agencies. Saatchi & Saatchi, one of the largest full-service agencies, decided to separate its media department to be the media independent called Zenith Media in 1988 (Advertising Association, 1989; Broadbent, Interview 4 July 2005). During the 1990s, the scale of the channel fragmentation was very large. And the traditional mass media were no longer as dominant as they had been. The media departments of several full-service agencies were gradually separating themselves from their parent companies and set up as the media independents. Most of them came from merging a few media departments of the large agencies or several media departments of the small agencies. In the media independents, the media buyers could do their original job i.e. the price negotiation. Their principle was that the bigger they were, the more powerful they could obtain more time and space with cheaper price (Bullmore, Interview 9 August 2005; Stewart-Hunter, Interview 26 July 2005).

As soon as the media independents started, the commission system was changed. According to Stewart-Hunter (Interview 26 July 2005), in the 1980s, the full-service agencies still held the 15% commission rate. However, during the 1990s, it was reduced to 12% because of the clients' constant pressure. Then, the media independents offered the clients the cheaper rate of 10%. They also suggested the clients to give them only 4% and give the rest 6% to the creative agencies. They could reduce their given rate from 4% to 3% or 2.5% if the clients wanted. "This number is constantly being shaved," said Stewart-Hunter. The media independents could survive because the clients' media budgets grew larger. For example, a client told a media independent that it had the media budget of €100 million. The media independent agreed with media owners that they would receive €85 million. Then, 2.5% of 85 million would yield €2 million for the media independent, which was enough for them to survive. One of the factors that media

independents could do so was the changing nature of client business. Not only were several media departments of the old full-service agencies merged into one large media independent, but the client business also grew larger due to the merging system. Huge client companies needed huge media independents. Media independents no longer called their income the commission but the fees (Bullmore, Interview 9 August 2005; Stewart-Hunter, Interview 26 July 2005).

In fact, what media independents were doing did not differ much from what they had done. During the age of full-service agencies, the media people called 17.65% the agency fee, not the commission because it was calculated from the cost clients paid the media i.e. 85 million. The 15% commission was a generic term used in the advertising industry. But in practice, the agencies did not take the whole commission from the media. Whatever commission rate the media owners offered the agencies – 15%, 20% or 25% – the agencies deducted the commissions to yield the net costs. And they clung to the 17.65% of the net costs under the name of agency fees. It means that for decades, the agencies in fact had been serving the advertisers, not the media owners. When the media departments were detached from the full-service agencies, the media independents still used the same system. The only difference was that they were no longer stuck with the 17.65% constant rate but rather able to adjust the fees that were enough for them to survive. However, such system could not be applied to creative agencies. During the age of full-service agencies, the creative department followed the media department's 17.65% fee. It charged the client 17.65% of the production cost given by the production house, which was only 30% of the agency's revenue. It means that they could survive because of the media fee, not the creative fee. After the media department split-up, creative people faced a serious problem of how to earn for living. They could not do as the media independents did. The value of creative works could not be judged on the basis of price

competition. That is why creative people like Jeremy Bullmore (Interview 9 August 2005) argue that the creative agencies were much more competitive than the media independents. The bigger the media independents were, the less competitive they were. There were more creative agencies than media independents. And they had to compete with each other on some other basis such as the number of hours their staff spent on producing the creative works. In this sense, the term 'fee' in the media independents differed from that in the creative agencies. The creative agencies' fee was based on the number of working hours, not the media net costs. It was the first time that creative people recognised the remuneration for their works. Although creativity was promoted to be a dominant function in the full-service agencies, in Bullmore's view, "it had never been cherished and paid until recently" (Interview 9 August 2005). His view was similar to Tim Broadbent (Interview 4 July 2005). Not only the creativity but also the media strategy produced by media planners was given to clients without charges for more than 100 years. They were compensated by the media buying income. It was unintended consequence of the emergence of media independents.

Radical changes in the agency structure and remuneration had a great impact on the IPA Awards. The evolution of media independents shows that the media departments were cut off from the full-service agencies and set up as the media independents from the late 1980s. This trend expanded rapidly during the 1990s. But the Awards were using the original theme in 1980 until 2000. Tim Broadbent (Interview 4 July 2005) states that the reason why the Awards did not change their theme from advertising to marketing communication as soon as the first media independent was born was the time lag. Each advertising agency needed some time to set up the new organisational and working system for the new media independent. After the birth of Zenith, other advertising agencies followed Saatchi & Saatchi one after another. Until 2000, it could be said that

there was no agency in Britain that had the in-house media department. As the judge convenor of the 2000 Awards competition, Broadbent had a rough idea of changing the Awards into the marketing communication effectiveness awards. The person who made the idea happen was Marco Rimini, the 2002 judge convenor. According to the IPA regulations, an advertising agency that could enter the Awards had to be an IPA member. But Broadbent proposed the strategy of pushing the Awards into the international level so that non-member agencies could enter the Awards. It was the tentative action to tell other types of agencies than advertising agencies that they could enter the Awards in the following year.

The definition of advertising was shaken due to the split-up of the media part of advertising. Various definitions of advertising in the previous chapter showed that its meaning tied closely with the mass media. None of them specified the types of messages that should be regarded as advertising except the fact that they had to be persuasive. When the media industry was no longer 'mass', it seems that the IPA, the representative of advertising practitioners, could not answer what advertising was. The media independents did not regard themselves as advertising but media organisations. They dealt with not only above-the-line media i.e. the mass media but also below-the-line media such as events and sponsorship. The below-the-line media had been used by marketers as the alternative channels to the main channels, the mass media, for other marketing communication tools such as sales promotion and direct marketing. The media independents forced the IPA implicitly to incorporate specialist agencies whose expertise involved other marketing communication tools such as direct marketing consultancies, brand consultancies and interactive agencies into the Awards. The situation was inevitable. If the IPA invited only media independents and creative agencies both of which represented the media and creative parts of advertising, the media independents

would not agree with it. As the nature of media independent business included the below-the-line media, the specialist agencies were drawn automatically into the Awards.

Although the IPA opened the door to any marketing communication agency to enter the Awards, the media independents did not pay much attention to them. In 2002, Rimini, the judge convenor, did whatever he could to persuade the media independents to join the new IPA Awards. He visited all large media independents to explain the importance of the Awards. He also worked with Mark Palmer, a VAC member, who worked in a media independent, in the hope that the media people would be interested in the Awards. “We had to make sure that they got jubilee when the genuine joined the Awards,” said Rimini (Interview 25 July 2005). The reason was that in the media people’s view, the IPA Awards were none of their business. They felt that they had done work but creative agencies took the credit. Therefore, it was the IPA’s duty to correct the misunderstanding by saying that both agencies were equally important and able to join the Awards. However, in Stewart-Hunter’s opinion (Interview 26 July 2005), the IPA Awards were still the awards for creative people because it focused on the message part of advertising. The Awards entries showed that the authors hardly talked about the media. Therefore, the IPA Awards did not gain much credibility among the media people. They had media awards specifically designed for them, for example, *Campaign*, *AdAge* and *M&M Europe*, most of which were supported by trade magazines. It seems that the media independent people liked the awards produced by media owners rather than the representative of advertising practitioners as the IPA. It indicates the fact that the media people of advertising agencies, who called themselves media independents, probably wanted to retrieve their close relationship with the media owners as they had done in the period of advertising agents.



Creative agencies did not pay much attention to the Awards either. It was because the fee system of remuneration which was based on the numbers of working hours from creatives, account planners, account management and other staff members. According to Broadbent (Interview 4 July 2005), there was a crude link between the commission system and advertising effectiveness. During the age of full-service agencies, the agency had to show its attempt to develop the client's small brand into a big brand in the market. Clients that had famous brands tended to spend more money on advertising in order to prevent the competitors from gaining more market shares. If the client spent more advertising budget, it means that the agency would gain more commission. But if the advertising campaign was ineffective, the client then cut down the advertising budget. And it means that the agency would gain less commission. Therefore, it is persuasive for full-service agencies to prove the effectiveness of their advertising campaign in order to gain sufficient commission. But the fee system was based on the input – the number of working hours – rather than the output like effectiveness. It depended on the agreement between the agency and client to transform the number of hours into the fee. Whether or not the campaign was effective was irrelevant. Therefore, creative agencies were not interested in advertising effectiveness because they still got paid without it. "It is absurdly bad system," said Broadbent. In this sense, it seems that although the IPA introduced the new Awards' theme in 2002, it still encountered the difficulty of encouraging both media and message parts of advertising from media independents and creative agencies to participate in the Awards. And it was the difficulty that came from the external factors of the Awards i.e. changes in the agency structure and remuneration.

## **Advertising Agencies and Market Research**

The players in the conflicts within the advertising industry do mean only agencies, advertisers and media owners but include research companies. The preceding section indicated the agencies' attack on the research companies concerning the audience research. In fact, the agencies and research companies came from the same roots. When the topic of market research is discussed, people always think of research companies. But very few people mention the relationship between the origin of market research and advertising agencies. Therefore, it is going to be described in this section.

The first-recorded market research was conducted in 1879 by N.W. Ayer and Son advertising agency. It did a market survey about grain production for Nichols-Shepard Company, an agricultural machinery manufacturer, who took the information for developing the advertising schedule (Lawrence, 1950; Luck et al., 1970; Chisnall, 1992; Bottomley, 1964). In 1895, Professor Harlow Gale of University of Minnesota used mailed questionnaires for doing opinion survey on advertising. Walter Dill Scott, another professor from Northwestern University, did psychological experiments on advertising for the Agate Club of Chicago in 1901 (Chisnall, 1992; Lawrence, 1950; Bottomley, 1964). Later, he wrote *The Psychology of Advertising* that encouraged the concept of soft-sell copywriting based on emotional appeals from psychological findings (Fox, 1984). During 1908 – 1911, J. George Frederick, after leaving his job as an editor of *Printers' Ink*, an American trade journal of advertising, established a research firm called the Business Bourse and conducted market research for the Texas Company and General Electric. He had been inspired by the concept of field research written by John E. Powers, the copywriter of John Wanamaker, the department store owner (Chisnall, 1992; Lawrence, 1950; Kinnear and Taylor, 1979; Fox, 1984). In 1911, R. O. Eastman, the

advertising manager of Kellogg Company, used questionnaires to obtain information about magazines' sales. His work led to the development of studies on the duplication of circulation. Later in 1916, he moved to Fuller & Smith, an advertising agency, and was sufficiently interested in survey work to set up his own research company. His clients included magazines, journals and an automobile company. In the same year, A. W. Shaw, Edwin F. Gay and Paul T. Cherington of the Harvard Business School conducted a research project about the operating expenses of retail shoe stores (Chisnall, 1992; Lawrence, 1950).

Although the marketing research had been growing, it was Charles Coolidge Parlin, the manager of the Commercial Research Division of the Curtis Publishing Company, who made considerable progress and was named the father of modern marketing research (Chisnall, 1992; Lawrence, 1950; Luck et al., 1970; Kinnear and Taylor, 1979). His work was interesting because it reflected the close relationship between advertising and market research (Bottomley, 1964). In 1910, Stanley Latshaw, an advertising space salesman, felt that he and his team were unable to sell the advertising space effectively. They knew about the publications but knew little about their readers. Of course, the volume of the publications' sales had been available. But the number and details of the readers were not yet produced. If they knew these, they could sell more space by relating the value of their publications to their customers i.e. advertisers. Parlin's work included the marketing structure of several industries such as textiles, food and automobiles and the study of department stores' sales volumes (Lawrence, 1950; Bottomley, 1964). According to Bottomley (1964: 4), Parlin "developed many methods which are standard today such as market mapping, the studying of consumer buying and habits through surveys and methods of analysing duplicated circulations in media research". He and the sales representatives gained stature in the business and inspired

manufacturers and the media to set up research departments in their organisations. Some examples were Paul H. Nystrom who was the research manager of the U.S. Rubber Company in 1915 and Louis D. H. Weld who was commissioned by the Swift & Company in 1917 (Lawrence, 1950; Chisnall, 1992; Kinnear and Taylor, 1979). After that, the U.S. Department of Commerce began to conduct and supply business research data during the 1920s (Lawrence, 1950; Luck et al., 1970).

Parlin's work also indicated the importance of media or audience research. Being space salesmen needed the accurate data to convince advertisers. Publishers had often sold advertising space with sometimes the exaggerated circulation figures but some advertising agencies had tried to help their clients find out the truth of circulation. In 1869, George P. Rowell, an advertising agency man and the superintendent of Printers' Ink, collected the circulation data from various publishers and published them in *the American Newspaper Directory*. Later, N.W. Ayer & Son did the similar thing. Both awarded the publishers that submitted the reliable figures. With attempts by representative groups of advertisers, advertising agencies and publishers, the Audit Bureau of Circulation was founded as an independent organisation that conducted the circulation audit in 1914 (Wolcott and Osk, 1963; Russell and Lane, 1996). Not only the media research but also the message or copy research captured advertising agencies' interest. In 1900, Albert Lasker of the Lord & Thomas advertising agency set up the "record of results" department to make simple measurements of the copy effectiveness among different print media (Fox, 1984: 60). From the 1920s, advertising agencies recruited social scientists to help them reveal 'facts' about consumers. Stanley Resor, the president of J. Walter Thompson (JWT) during the 1920s, hired Paul Cherington, a marketing professor of Harvard Business School, to be the agency's research director. He also hired John B. Watson, the founder of behaviourist psychology, to work on the agency's research

projects. In April 1932, Raymond Rubicam, one of the two founders of Young & Rubicam (Y&R), persuaded George Gallup, who initiated public opinion polls, to leave academic life at Northwestern University to work for him. In the 1950s, McCann-Erickson, under the presidency of Marion Harper, Jr., “was the first agency with its own psychological research staff” (Fox, 1984: 197).

The American history of market research illustrates the fact that early market research was closely related to advertising. More importantly, it tells us roughly about the people or ‘who’ did the research, an aspect that is not easily found in most marketing research textbooks where most of their content is devoted to research procedure and techniques. People who were interested in market research consisted of product manufacturers, advertising agencies, media owners, universities and governmental departments. Among them, people who put more efforts than other in making continuous progress to market research were advertising agencies and media owners. As described in the previous section, the income of advertising agencies and media owners came from advertisers’ money that poured into different media time and space. The agencies received 15% while the media received 85% in general. Both of them had one thing in common, that is, the duty to prove how the media’s audience matched the advertisers’ target consumers. Parlin’s work that made such great contribution to market research that he was regarded as the father of modern marketing research reflects the fact that audience research led to other types of market research. While the media might be satisfied with the basic information from the audience research, the agencies had to offer more complicated research to the advertisers. As the agencies offered other services than media buying such as media planning, creativity and other marketing and promotional activities, they had to develop research techniques in order to show their clients the effectiveness of these services. Agencies such as Lord & Thomas, J. Walter Thompson and Young &

Rubicam were the examples of the agencies' investment in market research. According to Newman (1965), marketing people often said that they recognised the importance of consumers' wants. But in marketing textbooks, they spent more space on describing marketing function, industrial groups, price economics and others than consumer behaviour. In fact, what marketing people did was that they had information about consumers' wants and their product that suited those wants. Their job was to exercise marketing mechanism to move the product to the consumers. By contrast, people who devoted themselves to study consumer behaviour were not in marketing but advertising as the contribution on consumer behaviour was apparent more in advertising textbooks than marketing textbooks. Market research, which flourished during the 1910s – 1930s, came before the concept of modern marketing which occurred after the 1950s. And its relationship with advertising occurred before the marketing concept. Therefore, it is a serious misunderstanding to assume that market research and advertising are subsets of the marketing discipline as marketers always do.

The American market research techniques were introduced to the British society during the interwar years (Nevett, 1982). Despite widespread scepticism, British market researchers are proud of themselves that their business has made a great contribution to the national economy. According to Kent (1993: 13), "the UK is widely regarded as a, if not *the*, world leader in the development and practice of marketing research." Unlike the American market research that had its roots in psychology, the British market research had its origin in sociology and anthropology. Moreover, while people who pioneered market research in America were mostly in the business and the government got involved later, in Britain a variety of people including academics, the government and the media were involved from the outset. Many social surveys during the first 30 years of the twentieth century were conducted by sociologists who wanted to do some social

investigations (Chisnall, 1992). In the 1930s, Tom Harrison and Charles Madge used participant observation, the data collection method of anthropologists' ethnography, for British social studies (Chisnall, 1992; McDonald and King, 1996). In 1936, the BBC founded the Listener Research Department which did television audience research (Chisnall, 1992; McDonald and King, 1996). In 1937, the Gallup Poll was brought into Britain by Henry Durant (McDonald and King, 1996). And in 1941, the Government Social Survey was established and it was regarded as the most influential to develop the British survey method (Chisnall, 1992; Tunstall, 1964).

As a marketer, Nevett does not identify who brought market research into Britain. It is Tunstall (1964), a sociologist, who indicates that "many of the important individuals in market research either work now, or have worked, in advertising agencies" (p. 115). He also adds that it was the London office of J. Walter Thompson (JWT), an American agency, which introduced market research in Britain in 1924. London Press Exchange, a British agency, was another that was very keen on market research. The similar record was also found in McDonald and King (1996). Most of both agencies' jobs were concerned with consumer behaviour measurement. After establishing the market research unit, JWT separated it to be the British Market Research Bureau (BMRB) in 1933. It was the first research company in Britain. Unilever, a large FMCG company, also set up its own research department which then became a separate company known as Research International in 1962. Although BMRB and Research International were the separate research companies, they were not actually independent of their parent companies. Later, they found the position that distinguished them from being the research units or even subsidiaries of the parent companies. They then became the independent research companies like others. The 1960s saw the introduction of more market research companies such as Marplan, Audits of Great Britain (AGB) and Taylor Nelson. In 1973,

Millward Brown was founded and has become famous because of the service of advertising tracking studies (McDonald and King, 1996).

The professional body for British market researchers was set up in 1946. The Market Research Society (MRS) was later supported by trade associations such as the Association of Market Survey Organisations (AMSO) and the Association of British Market Research Companies (ABMRC). The AMSO statistics shows that the British market research industry turnover had grown continuously from 1973 to 1994 with stability even in the economic recession in the transition of the 1980s and the 1990s (McDonald and King, 1996). According to the Advertising Statistics Yearbooks 2002 and 2003 (Advertising Association, 2002, 2003), the advertising expenditure advertising agencies received from clients during the same recession periods slightly dropped. It seems that research companies could sustain their business better than advertising agencies. One of the reasons might be the fact that clients had to put more of their effort into marketing and more research was needed (Jackson, 1994). However, the history of the market research industry shows the information contradictory to the AMSO statistics. Research companies in fact had to struggle more than advertising agencies during the recessions. In 1975 – 1976, the economic downturn made advertising agencies reduce their departments of extra services such as marketing, sales promotion and research. Clients also had to reduce their research department or even close it. Clients tended to keep the syndicated research but cancel customised or ad hoc research. The research budget is usually easier to be cut than other marketing costs. And there was no standard fee for commissioning research. Research companies, therefore, could not survive. Advertising agencies did not encounter such a problem because the commission system allowed them to reap more income during periods of economic growth and compensate the large amount of profit for the loss during the recession. Research companies learned



the hard lesson. In the 1970s, they built themselves as a business, not just a career. They saw a better opportunity for the syndicated research and offered it as a distinctive brand of the company (McDonald and King, 1996). For example, the AGB's service brand was the consumer panel. Nielsen, a subsidiary of A.C. Nielsen, the world's largest research company, in the U.S., offered the retail audit. Millward Brown, as mentioned above, claimed to be the leader in advertising tracking studies. Mills and Allen International (MAI) had the expertise in ad hoc research (Kent, 1993). Unlike the manufacturing companies, the British market research industry could protect itself from the American invasion. Data about the U.K. top-ten research companies by turnover during 1989 – 1991 (Kent, 1993) and during 1993 (Jackson, 1994) indicate that most of them were British-owned, except Nielsen. They support the fact that Britain has a strong background and continuous development in market research.

The history of the British market research shows that advertising agencies were the pioneers in market research. JWT set up its research department before Unilever for nearly 30 years. As more research departments of advertising agencies and clients were gradually being separated to be independent, they had to brand some of their services in order to compete with other research companies. Although each research company had a distinctive service that differentiated it from others, all of the research companies had something in common that differentiated them from advertising agencies and clients. According to Newman (1965), market researchers always spent their time on developing innovative methods such as sampling procedure, improving questionnaires, designing better experiments, training interviewers in field work, and processing and analysing survey data. While they were working in the research companies, they were more likely to seek perfect research techniques rather than answering marketing questions. They soon realised that they had more expertise in research methods than measures. Research

techniques became the selling point of research companies, not marketing or even advertising theories. Clients were experts in marketing and agencies were those in advertising. Clients hired research companies to conduct research. The research findings therefore belonged to clients. “The only thing that is still ours ... is any intellectual property around some of the techniques which still belong to us,” said Andy Farr, a research director of Millward Brown (Interview 15 July 2005).

Although the research companies found their own position in the advertising industry, it does not mean that the conflicts did not occur. As research companies found that most of their income came from the syndicated research which was quantitative and conducted continuously, they tended to use it for measuring advertising effectiveness. And it seems that clients agreed. Agencies did not like the syndicated research and saw it as an obstacle to the production of their advertising campaigns. Chapter 6 will provide more details about the methods and measures used in the syndicated research and the reasons why agencies did not like it. But in this chapter, from the research companies’ point of view, the agencies were not actually the research companies’ clients. Their clients were the advertisers because they paid for the research projects. But the research companies might cooperate with the agencies in order to obtain some information necessary for the research projects such as the campaign objectives and creative briefs. The agencies might take the research data produced by the research companies to interpret by themselves. Although the agencies had a broad perspective on some aspects of research, the research companies could give an objective perspective on the campaign evaluation. On the one hand, they judged how successful the agencies’ efforts had been. On the other hand, they helped the agencies to think about what they should do in the future. The research company might identify the reason why the campaign did not work. But it did not mean the failure (Farr, Interview 15 July 2005). In Farr’s opinion towards

the relationship between agencies and research companies, the research companies in fact acted as the devil's advocate of the agencies.

The research companies had fewer conflicts with the clients than the agencies. From his experience in Millward Brown for nearly 20 years, Farr (Interview 15 July 2005) saw that the clients were more likely to rely on the research companies' interpretation of data than analysing the data by themselves. They had had the in-house research departments responsible for analysing the data. Proctor & Gamble had been an example of the clients that had had its own research department. As the size of the research units within the client companies became smaller, they trusted the research companies to do the data analysis. In his opinion, Millward Brown gained the credibility from the clients because of its long experience in working with other types of clients. It seems that the research companies announced that they were the experts in research in the same way as the agencies announced that they were the experts in advertising. According to Rita Clifton (Interview 19 August 2005) who had a long experience of account planning in advertising agencies, clients hired an agency because it gave them objectivity. Although clients were competent, some pressures within their organisation might affect the decision making. The agency could bring learning from different types of business to give them the professional advice. However, what Clifton said about the duty of account planning was similar to that of research companies. As an account planner, "you have to understand the technical aspects of research, how to commission it, how to do it, how to interpret it, how to look at data rather than just the data interpreted and skimmed to you by someone else." (Clifton, Interview 19 August 2005). It raises the question of the agency's expertise in advertising. If the account planners did the same job as the research companies, then it would be the issue of organisational conflict rather than the content of advertising research itself.

Generally, because the research companies held that they, as the third-party organisation, had to have an objective perspective, they provided the straightforward research findings to the clients. Then, the clients used them with other pieces of information such as ex-factory sales data or some advice of the business consultancies such as McKinsey. What they did was the business implication by applying the research findings to their business circumstances. The people in the client companies that might not understand the use of research were financial or procurement people. There were many research companies that only collected and supplied the data without interpretation. “They are set up just to be a data factory,” said Farr (Interview 15 July 2005). He worried that the financial people might buy the research data but did not know for what purpose they were used. His opinion contrasted with Tim Broadbent when he said that the analysis from the IPA Awards helped the financial people better understand the advertising contribution to their business. “The financial analysts ... when they see the Effectiveness Awards, they absolutely love it,” said Broadbent (Interview 4 July 2005). From his experience, the financial people probably had a better understanding in the advertising contribution to the business returns than marketing people. The IPA had tried for 20 years to convince the marketing people but they still disbelieved in the Awards. It seems that while the research companies got the heart of the marketing people, the agencies had to change their target from the marketing people to the financial people.

### **The Origin of Account Planning**

While the creative and media departments were the main functions, the full-service agencies offered two supportive services: marketing and research. According to Jefkins (1995) and Tunstall (1964), agencies had the marketing departments before clients.

The duty of agencies' marketing people was to give advice on general strategy to clients. They did the same job as large advertisers' marketing people. In the 1950s, large manufacturing companies adopted the marketing concept into their operation and set up their own marketing departments. They had their own marketing experts who were better paid than the agencies' marketing strategists. Therefore, the agencies' marketing advice became unnecessary and the duty of agencies' marketing people was reduced to be only coordinators between agency and client. The agencies kept their marketing departments as an extra service for small clients that did not have their own marketing departments. The agencies' marketing people worked efficiently with small clients. But it seems that the money the agencies spent on marketing activities was more than the returns they received from the small clients. Inside the agency, the functions of account executives and marketing people mostly overlapped. While the account executives felt that they knew more about marketing than the marketing people and saw them as "their assistants" (Tunstall, 1964: 209), the marketing people thought that they knew more about the strategy than the account executives and saw them as "a messenger boy between agency and client" (p. 209). It seems that during the 1950s, the marketing departments had the low status and became unnecessary in the agencies.

In the 1960s, researchers in the full-service agencies were responsible for conducting in-house research and buying research data from research companies. They analysed secondary research data such as statistics, reports and industry news, and did small-scale primary research such as group discussions, in-depth interviews and simple surveys (Wells et al., 1989; Jefkins, 1995; Russell and Lane, 1996; Dunn et al., 1990). The researchers' job was irregular, depending on the clients' wants. Sometimes they had nothing to do for a month and then had to conduct a research project within three days. It can be said that the researchers' job was full of several conflicts of interest, both

internally and externally. While they were facing the external conflict with clients, they had to face the internal conflicts with creative people and the agency board. Creative people had some adverse feeling towards research because, in their view, research obstructed their creativity. If research findings showed that the agency's advertising effort was not as successful as it should be, the board might have called the research manager to amend some findings (Tunstall, 1964; Fowles, 1996). Probably, it might be the reason why clients were less likely to believe in the objectivity of agency research as the agencies had their interest underneath the research findings. Like the marketing departments, the research departments had the low status and became unnecessary in the agencies.

Besides the marketing and research departments, the full-service agencies offered other supportive services to clients. After the Second World War, more American agencies flooded into the British industry. British agencies became active and tried to offer more services than the competitive American agencies (Nevett, 1982). Therefore, the British scene of the full-service agencies in the twentieth century was the fact that both British and American agencies contended for clients with not only creativity, marketing and research but also other several services. Higgs (1984) recalled what Allen Brady & Marsh (ABM), an advertising agency, had suggested in its booklet. It said that a true full-service agency should have had 25 departments. They included management, account management, marketing, research, creative, sales promotion, typography, studio, TV production, presentation, media planning, press buying, TV and radio buying, regional media unit, finance, personnel, administration, word processing, control, art buying, press production, print buying, information, economic forecasting and retail intelligence. It seems that advertising agencies in the twentieth century enjoyed expanding their tasks. But some of them seemed irrelevant to advertising and some might

have overlapped. The agencies' overgrown departments, many of which had low status and became unnecessary, and the rise of clients' marketing departments and independent research companies led to the birth of account planning. Account planning, according to White (2000: 13), was "a British invention that is now widely followed, especially in the U.S." Many American agencies have adopted it although some of them doubt whether it is a necessary function of the agency.

Stephen King of J. Walter Thompson (JWT) and Stanley Pollitt of Boase Massimi Pollitt (BMP) started account planning in different agencies but in the proximate years. King was one of the IPA Awards judges during 1980 – 1988 and could be regarded as an influential judge as he was the person who set up the judging criteria that were not changed until 2002. Pollitt, despite his untimely death in 1979, one year before the Awards started, was a thinker whose idea influenced the participation of account planners in the Awards (Feldwick, 2000). Unfortunately, Pollitt wrote very few articles. But his agency, BMP, and JWT won more prizes of the IPA Awards than other agencies. Therefore, it is worth reading their ideas about account planning as the background of the Awards.

J. Walter Thompson is a remarkable agency in the history of British advertising agencies. It was not only the first organisation that introduced market research and established BMRB, the first research company, but also the first American agency that built its branch in Britain. Advertising knowledge from the New York office had been transferred to the London office. Stanley Resor, the president of JWT in New York during his success of the 1910s – 1920s, was a Yale graduate and liked participating in academic lecturing. He had a strong aim to create his agency to be a "university of advertising" (Fox, 1984: 84). One of the advertising knowledge developed by Resor in 1912 was

called T-Square which was used for all advertising campaigns during 1919 – 1967 (West, 1987). It was composed of five questions:

1. What are we selling? It is about the product and its price.
2. To whom are we selling? It is about the target consumers.
3. Where are we selling? It is about the distribution e.g. retailers.
4. When are we selling? It is about the seasonality of the product.
5. How are we selling? It is about the media and channels used.

With the principle of five questions, JWT's advertising campaigns became as systematic and methodological as to be "quasi-scientific" (West, 1987: 204). T-Square was adopted by the London office along with the concept of the account groups during the interwar years. The account groups were the integration of specialists from different departments within the agency. An account group usually consisted of, for example, a creative, an account executive, a media planner, a researcher and a marketing strategist, working together to create an advertising campaign. But the London office found later that it was difficult to translate the T-Square into copywriting. It made JWT's campaigns become too logical and unattractively conservative during the 1960s. Moreover, as BMRB began to separate itself from JWT, it concentrated on the research methodology so much that its old colleagues at JWT could not understand the complicated technical terms. It seemed that being scientific by systematic planning and market research could not match creativity. Tom Sutton, the British managing director, decided to improve the situation. In addition to modifying the authority of some executive functions in the organisation, he set up the Advertising Research Group in 1963. Stephen King's Creative Workshops was merged into the Group which in 1966 became the Advertising Research Unit led by King himself. From the Creative Workshops' objective of low-cost pre-testing advertising campaigns with semi-structure interviews of small samples, the Advertising



Research Unit aimed to study a larger area of advertising i.e. how advertising works (McDonald and King, 1996; West, 1987). King's hypothesis was that rather than using market information to direct advertisement writing, it should have been used to identify the consumers' response that creative people would write advertisements corresponding with. His argument was developed into T-Plan which replaced T-Square. The T-Plan consisted of two questions:

1. Where are we and why are we there? It is about the client and its brand.
2. Where do we want to be? It is about the role of advertising, the target group and the desired response.

(West, 1987)

The problem of T-Square was the fact that it focused on marketing too much. Thus, it could not be easily related to the nature of advertising as communication. It also indicated the conflict between the nature of marketing as science and that of creativity as art. The failure of T-Square was an attempt to link marketing to creativity directly, which was quite a difficult task. Using the people's response as an intermediary was the solution as it could be interpreted as the 'consumer' response in terms of marketing or the 'audience' response in terms of communication. The two questions of T-Plan were developed into the planning process of account planning. According to King (1977), the planning cycle consists of five questions: where are we?; why are we there?; where could we be?; how could we get there?; are we getting there?

King joined JWT's marketing department in 1957 (King, 1989). Three years later, John Treasure, who later became the first chairman of the IPA Awards judges, was appointed by Sutton to be the director of research and marketing. Treasure noticed that the number of marketing executives (strategists) in JWT's marketing department

increased from 22 in 1960 to 42 in 1962. He wondered “why we needed so many people” (Treasure, 1985: 168). He also noticed that “account executives at that time used the marketing executives working on their accounts to do all their donkey work for them” (p. 169). Moreover, sometimes the account group could not answer a client’s seemingly easy question because it overlooked cross-checking the data. King (1989: 1) admitted that their marketing plans “were a bit naive” compared with clients’. Their observations were similar to Tunstall’s. While the clients began to exercise the marketing concept by themselves and developed more of their expertise in marketing than the agencies, the agencies’ marketing departments had the low status and became unnecessary. King also noticed that other two departments i.e. research and media were in the low status. He said, “I think it would be fair to say that there have been some serious problems with the total satisfactions of the job, particularly in terms of status, in agency marketing, media and research departments. The account executives and creative people seem to rank higher” (King, 1969: 414).

King used the concept of account groups to differentiate advertising from marketing. The work flow of operating advertising campaigns should not be done in such a way as assembly lines in the factory. He did not say that agencies should not have different departments. But he rejected the “rigid job specifications and demarcation disputes” (King, 1969: 414). Labour division used in manufacturing companies, or in fact most of the agency’s clients, probably did not suit the nature of advertising where integration and mutual understanding among specialists from different departments helped better productivity. The process of advertising campaigns should be done by a project team i.e. an account group. King decided to make some changes in the concept of account groups used in the JWT New York. Rather than having an account executive, a

creative, a media planner, a marketing executive and a researcher, the new account group composed of an account executive, a creative and an account planner.

It was 15<sup>th</sup> June 1968, according to Treasure (1985), which was regarded as the birthday of account planning, the name given by Tony Stead. The duties of account planners, by Treasure's description, were setting advertising objectives, contributing to creative development and improving the evaluation method about advertising effectiveness. The duties of account planners, by King's description (1969: 418), were as follows:

- 1) Knowledge of capability and meaning of research
- 2) Contacts with media buyers, research companies
- 3) Using research skills, green-fingeredly, to set campaign and media objectives, theorising on precise role of advertising
- 4) Devising and managing continuous programme of research (e.g. using it to evaluate advertising against objectives).

Stanley Pollitt had an initial idea of account planning in 1965 when he was an account director of Pritchard Wood Partners (PWP). His observations about the advertising industry during the 1950s – 1960s were similar to King's. In the 1950s, advertising agencies were market research leaders. Only a few large advertisers were keen on research. Large agencies had their own research departments or subsidiaries. The situation changed in the 1960s when clients, especially consumer goods companies, had their own marketing and research departments and commissioned research by themselves. Therefore, they required the companies that specialised in advertising research. Meanwhile, the agencies' research departments and subsidiaries gradually set up their own research companies. Pollitt saw the remaining research staff in his agency, including

others, unpleasant. As talented researchers moved to more lucrative research companies, the left members were in the backroom and called to serve clients in some urgent cases. The problem with the backroom researchers was that they preferred to live in the backroom and be familiar with research techniques than advertising propositions. Pollitt (1979: 5) commented that “they had grown too accustomed to being academic to know how to be practical and pragmatic.”

As a result of the research backroom problem, Pollitt decided to ‘breed a new species.’ He recruited young graduates and trained them to be omniscient including ability in numeric analysis. When he quit PWP and set up his own agency, Boase Massimi Pollitt (BMP), with his partners in 1968, he brought in the concept of account planning into the agency’s operation. He admitted that he borrowed the word ‘account planning’ from JWT although he had the same idea previously at PWP (Pollitt, 1979). Pollitt suggested that account planners’ job was to analyse research data in order to develop advertising strategy, particularly creative ideas, and evaluate the advertising campaign. It came from the conflict between research and creativity during the 1960s. Most research companies offered quantitative data of pre-testing which was difficult to apply with creativity. At BMP, account planners conducted qualitative research such as group discussions and in-depth interviews to help creative people get some fresh ideas (Pollitt, 1979). It seems that Pollitt’s definition of account planning was based on the problem of the research department only. In fact, he also mentioned the media department. “I found myself, ... , suddenly acquiring responsibility for research and media at the then Pritchard Wood Partners,” said Pollitt (1979: 3). It means that Pollitt realised the involvement of the media department in creating account planning as well. But that is his only citation of the media department in his article regarding the origin of account planning. The department that he never mentioned was marketing.

### **Positioning Account Planning**

Account planning became popular during the 1970s. The concept of account planning was disseminated into many other agencies than JWT and BMP. It has been recognised as a vital department of British advertising agencies. However, the definitions and applications of account planning differ from agency to agency. Each agency has adopted and modified King's and Pollitt's concepts of account planning according to its organisational and business circumstances. And this is the interesting point. There are many account planners and academics who wrote articles about account planning. They describe the similar story of the history of account planning. They agree on the differences between account planning and other departments of the agency. They can tell how account planners differ from and help account executives, creatives, research and marketing. But they cannot specify the identity of account planning. Bullmore (2003), who was King's colleague and good friend, admits that since account planning was invented in JWT, he has never succeeded in explaining what account planners actually do to clients. They assume that account planners are researchers, which they are not. They cannot distinguish account planners from account executives. And they do not recognise the necessity of having account planners in the account groups. Some academics also have a misconception of account planning. For example, Brierley (2006) assumes that account planners are agency people who have the research background and replace account executives because of the account executives' incompetence. Among the various applications of account planning, the Account Planning Group (APG) is perhaps the best group of people who can give the official description of account planners' job. The APG, as described in the first chapter, is the non-profit organisation representing account planners. Charles Channon, the first chairman of the APG, concluded in 1978 that the

duties of account planners were in fact “the three classic stages of advertising process.” They consisted of development, execution and evaluation. The account planners had to interpret research data, determining the advertising strategy and communicate the research data and advertising strategy to the others of the account group (Channon, 1978). In 1986, the APG published a booklet written by Sev d’Souza regarding the description of account planners’ responsibilities. It can be said that what d’Souza wrote does not differ much from Channon’s. The account planners’ job, according to d’Souza, consists of four stages. In the stage of advertising strategy development, the account planners collect and analyse the information about the consumers, the market and the brand to develop the advertising strategy. In the stage of creative development, they conduct diagnostic research to examine whether the rough advertisements work. In the approval stage, they explain how and why the rough advertisements should be produced into the finished advertisements. And in the post-campaign stage, they keep tracking the results of the advertising campaigns (Account Planning Group, 2006d).

The history of account planning shows that it came from the combination of the marketing, research and media departments whose status was low in the agencies. And the APG recommends this fact (Account Planning Group, 2006e). However, the APG’s description of the account planners’ responsibilities shows that they are more likely to be concerned with research than marketing and media. During the age of full-service agencies, marketers worked in the client companies. Researchers worked in the research companies. And media planners and buyers were still in the agencies although the account planning departments had been established. It raises the question of where the position of account planning was and why it has changed to focus more on research. To answer these questions, the comparison of the organisational structure between client

companies and agencies might be helpful. The organisational structure of the client companies can be illustrated as follows:

Figure 4.1 Client Company



The research and development department (R&D) deals with research on new products or product development. The operations department is concerned with bringing the prototype of the new or improved product from the R&D department to produce commercially. Then, the commercial products from the operations department are distributed and sold to consumers by the marketing department.

To identify the difference between account planning and marketing is to identify that between account planners and account executives. Account executives are the liaisons between the agency and the client. They can be called account handlers, account managements or account men/women and their department is called client service. Account executives' job is knowing the client's wants and what agency's resources satisfy them. They explain the client's wants to other departments in the agency and present their work to the client. They do not need to be the specialists in either part of advertising but have to be all-rounders, that is, knowing both message and media parts of advertising well enough to sell them to the client. The client's department that the account executives contact regularly is marketing. Since the marketing concept came to Britain

and Unilever pioneered the brand manager system in the 1950s, account executives have learned how to deal with the brand manager. He/She is responsible for marketing activities including advertising for a single brand and under the supervision of the marketing director. If the marketing people in the client companies are salesmen, the account executives are salesmen in the advertising agencies (Jefkins, 1995; Dunn et al., 1990; Wells et al., 1989; White, 2000; Russell and Lane, 1996; Tunstall, 1964).

In the early 1960s, agency people saw the shortcoming of relying on the account executives too much. Like salesmen in other types of business, the client's satisfaction was the account executives' priority. They had to serve and keep the client with the agency. The agency's wealth depended on them as they were key people to acquire a new client. Therefore, they tended to get better promotion or set up their own agencies because of their close relationship with clients. However, account executives' job sometimes made the agency look like the subordinate to the client, not the professional, because they were more likely to be on the client's side than other departments in the agency (Tunstall, 1964; White, 2000). The account executives' job was "keeping clients happy." And when they got promoted to be the managing directors, they aimed at "maximising agency profits." The account executives spent their time dealing with the clients so much that sometimes they forgot "getting the advertising content right" (Pollitt, 1979: 7 – 8). As mentioned earlier, the reason why Lasker increased the importance of account executives is that he saw the conflict between the marketers of client companies and the creatives of advertising agencies. King invented account planning because he wanted to solve the problem of translating the clients' marketing strategy into creativity of advertising. The account planners were thus the mediator between marketing people in the client companies and creative people in the agencies. However, King's account planners differed from the account executives invented by Lasker.



Some large manufacturing companies may have the R&D department. Scientists in the R&D department deal with innovation. They conduct research to invent a new product or seek a new technology to improve the quality of the existing product. Before the birth of account planning, British advertising agencies did not have the R&D department. It was King's intention to build account planning as the R&D department in the agency (King, 1989). They are scientists, not salesmen, in the advertising agency. This is the point that makes account planners differ from account executives. The account executives are salesmen. They speak the same language as marketers in client companies. But the account planners are scientists whose job is improving the quality of the agency's product i.e. the advertising strategy. And if possible, they have to find a new way of explaining advertising in the same way as scientists invent a new product in the manufacturer's laboratory. The account executives' job is satisfying the clients while the account planners' job is developing the advertising strategy. The account executives' job is subject to their personal relationship with clients while the account planners' job is subject to their advertising knowledge (Scorah, 1989; Rainey, 1997). What the account executives are most interested in is whether or not the clients are happy. They might be smart and educated. But they do not know how to read the research data correctly. Nor do they have a wide variety of knowledge such as brand models, consumer psychology and corporate strategy. The account planners are the people who do all of these tasks. Each of the account planners is "another smart person" who is involved in the advertising process "with real specialism" (Clifton, Interview 19 August 2005).

Clifton is not the first person who expects the account planners to be the advertising experts. When starting account planning, King (1989: 1 – 2) said, "Then clients gradually started to build up proper marketing departments, who wrote their own plan. ... Increasingly we concentrated more directly on our own expertise, the advertising

strategy.” To focus on advertising rather than marketing, King (1988: 63) indicates that the excellent account planners, whom he calls the grand strategists, must be “intellectual, aim to see the big picture, are a little bit about the fray, and almost economists.” It seems that the account planners work as if they were the academics or theorists in the advertising agencies. King’s definition of the grand strategists is recognised by some account planners who were involved in the IPA Awards. Clifton (Interview 19 August 2005) is one of them. She indicates that the account executives can enter the Awards. But the account planners are more likely to be the Awards’ entrants because they have the academic skill necessary to enter the competitions. Dan O’Donoghue (Interview 25 July 2005) is another. From his experience as one of the Awards’ judges, clients often do not know how to measure the success or effectiveness of advertising because they are unlikely to have the academic skill. Having the academic or intellectual ability is also required for the convenors of judges. The main duty of the judge convenors is “managing the intellectual side of the [Award] process” (Rimini, Interview 25 July 2005). And the intellectual ability is the quality that distinguishes the IPA Awards from the EFFIE Awards as Chris Baker (Interview 23 June 2005) describes:

“The UK is very mature in finding what valuable advertising market is. And it is also a reasonably intellectual culture. The IPA Awards are very British actually. They are very much of function of our culture. ... It is our culture. You can say that the US is very mature and valuable market. But the US is a very non-intellectual country in this respect. And they are quite superficial as a country.”

If the account executives are the marketers in the agencies, it is reasonable for them to have the concept of advertising as a marketing tool. In contrast, the account planners, as the scientists or academics, should have the different principle because they

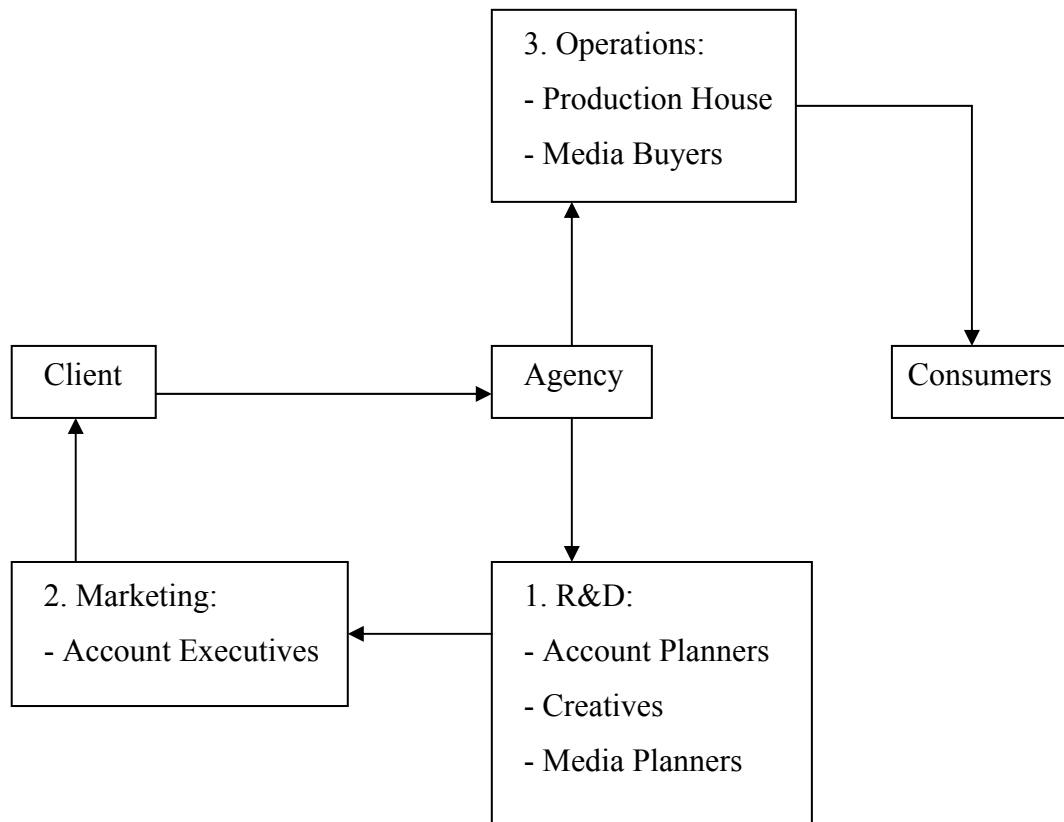
have the different function in the agencies. At least, it could be said that they should have the concept of non-marketing advertising and spend their time to study what it is. Unfortunately, the account planners have not made a clear distinction between marketing and advertising. King is one of them despite the fact that he is one of the fathers of account planning. On the one hand, he suggests that advertising agencies return to their own expertise i.e. advertising rather than marketing that has become the clients' expertise. He also shows his intention in making account planning to be the R&D department, not the marketing department, in the agency. On the other hand, he calls his planning cycle, which has been developed from the T-Plan, the marketing planning rather than advertising planning. However, it does not mean that King is unaware of the conflict in his thought. In fact, he concludes that "we are going to have to do something about our ambivalence over the term 'marketing'" (King, 1971: 38).

Other account planners do not distinguish between advertising and marketing either. As the first chairman of the APG, Channon (1978: 625) pinpoints the identity of account planners that they focus on studying the brand "as it is perceived by consumers." D'Souza elaborates Channon's statement that account planners are the consumers' representatives. While the clients focus on the product, the account executives on the client, the creatives on the advertisement, the account planners focus on the consumer (Account Planning Group, 2006d). This is the point that blurs the position of account planners. Under the marketing concept, marketers have changed from aggressive sellers in the era of the selling concept to sensible marketers who study the consumers' wants in order to offer the product that serves those wants. The marketers claim that they are consumer-oriented. If the account planners position themselves as consumer-oriented, there would be no difference between marketing and advertising. In fact, it has been argued in the previous chapter that it is the managerial school of marketing that regards

advertising as a subset of the marketing mix. The managerial school, based on economics, shares the same philosophy of positivism as the transmission models of communication. The transmission models stress the importance of the senders of communication. Based on positivism, it means that the managerial school of marketing is producer-oriented, not consumer-oriented as it often claims. The real consumer orientation is the buyer behaviour school as it concentrates on consumer research. The history of market research shows that people who have devoted themselves to consumer research are advertising agency people. While the body of knowledge in the buyer behaviour school is being developed by including other social sciences into the discipline, the school has moved away from the standpoint of marketing. As a result, the marketers regard the managerial school as being more dominant than the buyer behaviour school. If the agency people are on the side of the buyer behaviour school, it implies that they move away from the standpoint of marketing. And if the account planners insist that they are the consumers' representative, it means that they are holding the concept of non-marketing advertising.

The inability to distinguish advertising from marketing results in the account planners' distorted view on consumers and the application of market research. It came from the fact that they have never identified what their product is, who buys it and who uses it. The following diagram is used to clarify the explanation:

Figure 4.2 Advertising Agency



The advertising process consists of three functions. First, the R&D function includes the account planners, creatives and media planners. The account planners design the advertising strategy. The advertising strategy consists of the message and media parts of advertising. For the message part, the creatives initiate the creative idea. And for the media part, the media planners design the media strategy. The advertising strategy is the prototype of the agency's product. After it has been produced by the account planners, creatives and media planners, it is not expected to be sent to the operations department as it is in the client companies. In contrast, it is sold to the client by the account executives who perform the marketing function. After the client approves the creative idea and media strategy, they are sent to the operations function. For the message part, the creative

idea is transformed into the advertisement by the production house. For the media part, the media strategy guides the media buyers to place the advertisement into the media time and space.

The agencies' products are not goods or services as offered by client companies but rather the messages of those goods and services. In most cases, the clients' product buyers and users are generally the same people. In some cases, the product buyers and users might be different; for example, the buyer is the mother while the user is her child. However, the mother is seen as a consumer because she will not sell the product or give it for the commercial purpose to her child. Unlike the client companies, the agencies' product buyers are their clients and the users are the consumers. The clients buy the advertising messages from the agencies along with the media plans that indicate the channels through which the messages are delivered. The consumers do not pay for the advertising message but are expected to be aware of them. It can be argued that the clients may charge the consumers the advertising cost by adding it into the product price. But because the consumers do not pay for the advertising directly, they do not feel that they buy it. And because they do not feel that they buy it, they do not see the value of it. The agency people realise that consumers generally dislike their advertisements. The advertisements are annoying because they intrude into the consumers' lives in every place and every time. They interrupt their leisure time of watching television programmes or reading their favourite columns in the newspapers. The consumers often ignore the advertisements or at best remember only some anecdotal parts of them (White, 2000; King, 1986).

In this sense, consumers in the agencies' view do not have the same meaning as those in the client companies'. Consumers for the clients are people who are willing to pay for goods and services. But consumers for the agencies are people who not only do

not pay for the messages of goods and services but also avoid them as much as possible. It seems that the levels of importance given to the consumers by clients and agencies are different. The clients see the consumers as a potential market that fits their resources. If it does not make profit, they will move to another potential group of consumers or adjust their resources. On the contrary, the agencies see the consumers as the target they have to reach. The target group of consumers is assigned by the clients; therefore, the agencies are not supposed to leave it or replace it another potential group. What they can do is studying the assigned group more broadly and deeply in order to make sure that their products, the advertising messages, are recognised by that consumer group. This is the reason why the agencies have to put more efforts than the clients to penetrate the consumers' mind. And this is the reason why the account planners whose expertise is advertising, not marketing, say that they represent the consumers as opposed to the clients who focus more on their goods and services than the consumers.

The different perspectives on consumers between clients and agencies result in the different applications of market research. While the clients use market research for the marketing purpose, the agencies use it for the product development purpose as used in the R&D department in client companies. The comparison of the marketing and R&D functions between clients and agencies can be shown as the following tables:

Table 4.1 Client Company

Department	Step	Activity
Marketing	1.	The marketers analyse marketing opportunities, which means analysing the marketing information and the findings of market research. The results of analysing marketing opportunities lead to a) selecting the target consumers and b) product positioning.
	2.	The marketers plan the marketing strategy
	3.	The marketers take the findings of product concept testing to the R&D department
R&D	4.	The scientists develop the new product by conducting research in the laboratory. Most of their product development research is the functional test of the product to make sure that the product provides the benefits the target consumers want.
Marketing	5.	The marketers take the prototype of the new product from the R&D department to add other ingredients such as putting it into the colourful package and setting the price. The new product then looks like the product sold in the market, ready to be offered to the consumers, not the product from the laboratory. This process is called marketing testing.
R&D	6.	If the new product passes the market test, the R&D department will send the prototype to the operations department for mass production.



Table 4.2 Advertising Agency

Department	Step	Activity
Marketing	1.	The account executives receive the marketing brief from the client. The brief contains the marketing information and the findings of market research.
	2.	The account executives take the client's brief to the account planners
R&D	3.	The account planners conduct strategy development research to gain the additional information that is not provided by the client's brief. The results of strategy development research lead to a) analysing the target group and b) brand positioning.
	4.	The account planners plan the advertising strategy
	5.	The account planners take the advertising strategy to the creatives and media planners
	6.	The creatives produce the creative idea. The media planners produce the media strategy.
	7.	The account planners take the creative idea and media strategy to test with the target group. Testing the creative idea is called creative development research while testing the media strategy is called market experimentation.
Marketing	8.	If both the creative idea and media strategy pass the test, the account executives will sell them to the client. The account executives decorate the creative idea and media strategy with the impressive presentation.

Department	Step	Activity
R&D	9.	If the client approves the creative idea and media strategy, they will be sent to the operations department. The creative idea will be sent to the production house. The media strategy will be sent to the media buyers.

The comparison between the two tables indicates that the clients' step 1, 2, 3, 4 and 5 are similar to the agencies' step 3, 4, 5, 6, and 7. The clients' step 6 is similar to the agencies' step 9. The agencies have three additional steps: step 1, 2, and 8. The clients' step 1 – 5 have the similar job descriptions as the agencies' step 3 – 7. The difference is the people who are responsible for the jobs. It implies applying the similar job descriptions to the different functions. The clients' job descriptions in step 1 – 5 are used for the marketing and R&D functions while the agencies' job descriptions in step 3 – 7 are totally used for the R&D function.

The clients' products are goods and services. The clients that sell goods may have the R&D departments while it is quite unusual for the clients that sell services to have the R&D departments. Therefore, when the R&D departments are mentioned, they refer to the R&D departments of the clients that sell goods. In the client companies, their R&D research, or what is called product development research, deals with objects exclusively. The process consists of thinking and testing the thoughts. In the part of thinking, the researchers come up with thoughts which are tested thereafter. In the part of testing the thoughts, as the thoughts are concerned with the objects, testing the thoughts is testing whether the objects work properly. It can be said that testing the thoughts is testing the product functions. What the researchers put into the functional tests are the objects. No human is involved except the researchers. The research that allows humans to be involved

is market research. As the marketing function is selling the product that needs to deal with people, market research has humans, as well as the objects i.e. the products, as the subjects being tested.

The agencies do not sell goods but the messages of goods and the advice as to the channels that are selected to deliver the messages. Both of them constitute the communication. In the R&D departments of the agencies, the product development research is concerned with humans, not objects as appearing in the client companies. Communication is regarded as cultural products. Culture, according to Macionis and Plummer (2008: 128), is about “people’s way of life. Human beings make culture and it in turn ‘makes us.’ It becomes part of us – what we often (yet inaccurately) describe as ‘human nature.’” Thus, if the agencies’ products are communication, they are involved with humans. Like the client companies, the R&D process consists of thinking and testing the thoughts. In the part of thinking, the creatives generate the message thoughts – the creative ideas. The media planners generate the media thoughts – the media strategy. Then, both of the thoughts are put into the tests by the account planners. In the part of testing the thoughts, as the thoughts are concerned with communication, testing the thoughts is testing whether communication works as expected. Testing the communication functions needs to have humans. What the researchers put into the functional tests are humans, not objects. That is the reason why the R&D departments of the agencies have humans involved. Consumers are part of the agencies’ R&D research which studies humans as opposed to the clients’ R&D research which studies objects. For the marketing departments of the agencies, there is no research process involved. The agencies’ step 1, 2 and 8 indicates the marketing function of the agencies. Unlike the clients’ marketing departments that deal with doing market research, the agencies’ marketing departments do not deal with conducting research. It is because selling

advertising campaigns is undertaken by the account executives who use the personal relationship in contacting the clients. They do not sell the advertising campaigns to the consumers. Selling the products by the marketers of the client companies needs the systematic research as there is the large number of consumers. The purpose of the research is to study consumers' buying behaviour. By contrast, selling the products by the account executives of the agencies do not need research that aims at studying the clients' buying behaviour. What they need is the interpersonal communication skill instead.

The comparison between clients and agencies indicates the fact that they apply market research differently. Clients see that the research done by the R&D scientists is concerned with objects while the research done by the marketers is concerned with humans. Agencies see that the research done by the R&D people is concerned with humans while the research done by the marketers – the account executives – is unnecessary. What is called market research, if used in the client companies, has the marketing purpose. But if it is used in the agencies, it has the R&D purpose. If the account planners do not distinguish between advertising as communication and advertising as marketing, they are confused with using market research. They would not see the market research for the purpose of product development but for seeking some selling methods as the marketers do. Seeking the means of selling the advertising campaign must be done through studying the agency-client relationship, not through the market research. And seeking the selling methods is the account executives' job, not the account planners'. Although the account executives are not involved in the market research process, they can use the findings of market research as the evidence to support the credibility of advertising campaign quality when selling them to clients. It is the same as what the marketers do in the client companies. They might use the findings from the product development research to support the credibility of product quality when selling

them to consumers. The quality of advertising campaigns depends on whether their objectives have been achieved. As the nature of advertising is communication, it means that the advertising objectives should focus on communication. And the desired effects of advertising should be the communication effects. However, because the people in client companies that contact the agencies are the marketers, they might want to obtain the quality of advertising campaigns in generating the sales effects. Clients' marketers often blame the agencies when sales go down that the agencies' advertising do not help maintain or increase sales.

This is one of the reasons why the IPA Awards started. Proving the sales effects of advertising is part of the R&D process as well as proving the communication effects. It is used for the R&D purpose, not marketing purpose. In this sense, the IPA Awards is created for the R&D purpose. They are the venue for the account planners to demonstrate the R&D ability. They encourage the account planners to learn the subject of advertising effectiveness and realise the value of learning. Unfortunately, not all of the account planners conceive the R&D purpose in the Awards. Some account planners who are aware of the R&D purpose cherish the value of learning. Others who may regard account planning as a marketing subdiscipline use the Awards for the marketing purpose. They are more likely to see the value of being an award scheme than that of learning. And they tend to use the Awards to promote their agencies rather than improving their academic ability. In other words, they are playing the account executives' role in using the demonstration of the sales effects of advertising as the evidence to support the credibility of advertising campaign quality when selling them to clients. One of the purposes of the Awards throughout their first 20 years was to create a better understanding about the role advertising plays in marketing. Simultaneously, the IPA addressed that the Awards' entries were the demonstration of isolating the advertising effect from other elements of

the marketing mix. The paradoxical statement shows the internal conflict within the account planning community whether they are in or out of the marketing domain. Part of the conflict came from the obscure definition and position of account planning. It led to the clients' disbelief in the Awards. It also influenced the changing focus of the Awards from the value of learning advertising effectiveness in the 1980s to that of being an award scheme in the 1990s. More details will be described in the last chapter.

While the account planners cannot distinguish themselves from marketing, they can make a clear distinction between themselves and research companies. The research companies usually offer four services as to advertising research: strategy development research, creative development research, copy testing and tracking studies (Farr, Interview 15 July 2005). These four types of research are similar to the four stages of the account planners' job described by d'Souza. The research companies' strategy development research is similar to the account planners' stage of advertising strategy development. The research companies' creative development research is similar to the account planners' stage of creative development. The research companies' copy testing is similar to the account planners' approval stage. And the research companies' tracking studies is similar to the account planners' post-campaign stage. However, there are some exceptions from d'Souza's description. The account planners conduct the only research in the stage of creative development. In the approval stage, he avoids to mention copy testing done by research companies. In the post-campaign stage, he does not say that the account planners obtain the results of advertising campaigns from the research companies. The reason why the account planners conduct only the diagnostic research at the stage of creative development came from the historical conflict between account planners and research companies. More details will be described in Chapter 6. But in this chapter, it could be summarised that for pre-testing, the research done before the launch of the

advertisement, account planners reject the validity of copy testing. Copy testing is quantitative and evaluative. The account planners feel that the qualitative research at the stage of creative development is sufficient for planning advertising. They do not like their advertisement to be evaluated by the quantitative copy testing before it is actually launched. Therefore, they want to eliminate copy testing from the advertising research. Tracking studies, although it is quantitative, sound reasonable to them. They are the only post-testing that evaluates the advertisement after the launch.

The history of market research shows that agency people who initiated and made great contributions to market research from the early 1900s until the 1950s have less expertise in market research. The research departments in both client companies and advertising agencies have separated themselves to build their own companies. King saw that while BMRB was growing, it focused on such research techniques that JWT people found it difficult to interpret some technical terms. Politt saw his talented researchers moved out of his research department to set up their own companies. Clients tend to hire research companies because they feel that the research companies are the real experts in market research. As Newman and Farr stated earlier, the uniqueness of the research companies was their expertise in research techniques. But the agencies' concentration, according to King, should be on advertising, not marketing or research. Butterfield (1985) illustrates the difference between account planners and research companies:

“... a planner is ... much more than just a researcher. ... The planner, by contrast, is advertising person first and researcher second. ... At its most basic this stems from the rather obvious fact that researchers usually come from a research background rather than an advertising background. This means that their skills are often biased to technique rather than application; their emphasis is on advertising *evaluation* rather than on advertising *development*, ...”

Rainey (1997) summarises Butterfield's description that the account planners are more likely to be the research users than the research doers. The research companies, by contrast, are more likely to be the latter than the former. The research users focus on planning advertising with the support of research. But the research doers focus on conducting research with the support of the advertising brief. The research companies agree with the agencies' view. Nevertheless, they may disagree with the agencies' criticism towards the quality of their research and the agencies' desire to do research by themselves. As Farr stated earlier, the research companies provide the basic interpretation of data. Clients or agencies can reinterpret it in terms of their business implication. The reinterpretation of the research companies' data means that the agencies may use the data without doing the research. However, there is a reason why the agencies want to be the research doers as well as the users. The history of market research shows that the agencies had long experience in being the research doers before changing their role to be the research users. The agencies have lost their power of being the leader in market research to the research companies. The account planners feel that they have to regain the power from the research companies somehow. As they are no longer commissioned by clients to do research, most of the research they can do is small-scale qualitative research such as group discussions or in-depth interviews. And most of the agencies' research is the qualitative diagnostic research at the creative development stage. It is difficult for them to conduct other kinds of research, particularly the large-scale research such as surveys, because they are no longer paid for doing research. Their attempt to put great emphasis on being the research doers as well as the research users affects their choice of the award scheme. The APG Awards encourage the account planners' ability to be both research doers and users while the IPA Awards focus on the skill of being the research users only. Perhaps, it might be one of the reasons why the account planners are more interested in



entering the APG Awards than the IPA Awards. More details will be described in the last chapter.

## **Chapter 5**

### **Sales Effects of Advertising**

The US academics and practitioners in marketing and advertising have long believed that the advertising effects can be measured in terms of communication but not sales. They claim that it is because the difficulties of isolating the advertising effects from the effects of other marketing elements. Advertising is one of the factors that influence sales. Other factors include product quality, price, sales promotion, competitors' activities and so on. Advertising and all of these factors are interrelated when playing their roles in the market. It is rather impossible to keep other factors stable in order to measure the effects of advertising on sales (Aaker et al., 1992; Wells et al., 1989; Dunn et al., 1990; Vanden Bergh and Katz, 1999). However, it does not mean that the studies on the sales effects of advertising cannot be found. In fact, they have been in the marketers' interest. Based on the concept of advertising as a marketing tool, the marketers in the client companies do not focus on advertising only but embrace other marketing tools into their interest. What they want to know is the relationship between the budget of each marketing tool and sales. It is the marketers' duty to calculate the investments and their returns in order to choose which marketing tool provides the better return. Then, they can adjust the marketing strategy by selecting the tools that correspond with the current marketing situation. But the way the marketers study the sales effects causes some troubles to the agencies. The fact that the marketers concentrate on the relationship between the budgets and sales is similar to what economists do, that is, looking at the inputs and outputs only. They ignore the process and the variables in between. For the agencies, the intermediate variables may be the types of media selected, the positions of the advertisements in the media, the appeals of the advertising messages and the tones of the messages. Viewing

advertising as a marketing tool makes the marketers ready to replace advertising with another tool if sales do not increase. As the advertising budget is higher than the budgets of other tools, the marketers expect advertising to yield the better return of investment. If sales go down or the company does not have the good cash flow during the economic crisis, the marketers are ready to use other marketing tools, particularly sales promotion, instead of advertising. Such marketers' thought forces the agencies to prove the advertising effects beyond communication i.e. the sales effects of advertising. In 1980, Simon Broadbent established the IPA Awards for the purpose of proving the sales effects of advertising. During those days, British agency people knew that the sales effects of advertising were most desirable but they had had no proof. Although they knew that it was difficult to isolate advertising from other marketing elements, it was the challenging task (Broadbent, 1981). However, it does not mean that the Awards were set up without the backgrounds. There had been the external and internal factors that led to the agencies' enthusiasm in proving the sales effects of advertising. In this chapter, both of the factors will be explored. The external factor is the growth of multiple retailers and sales promotion. The internal factor involves the contribution of media planners as the agencies' pioneers in investigating the sales effects of advertising. And it was the media planners who developed the knowledge of the sales effects until it became the basis for the IPA Awards.

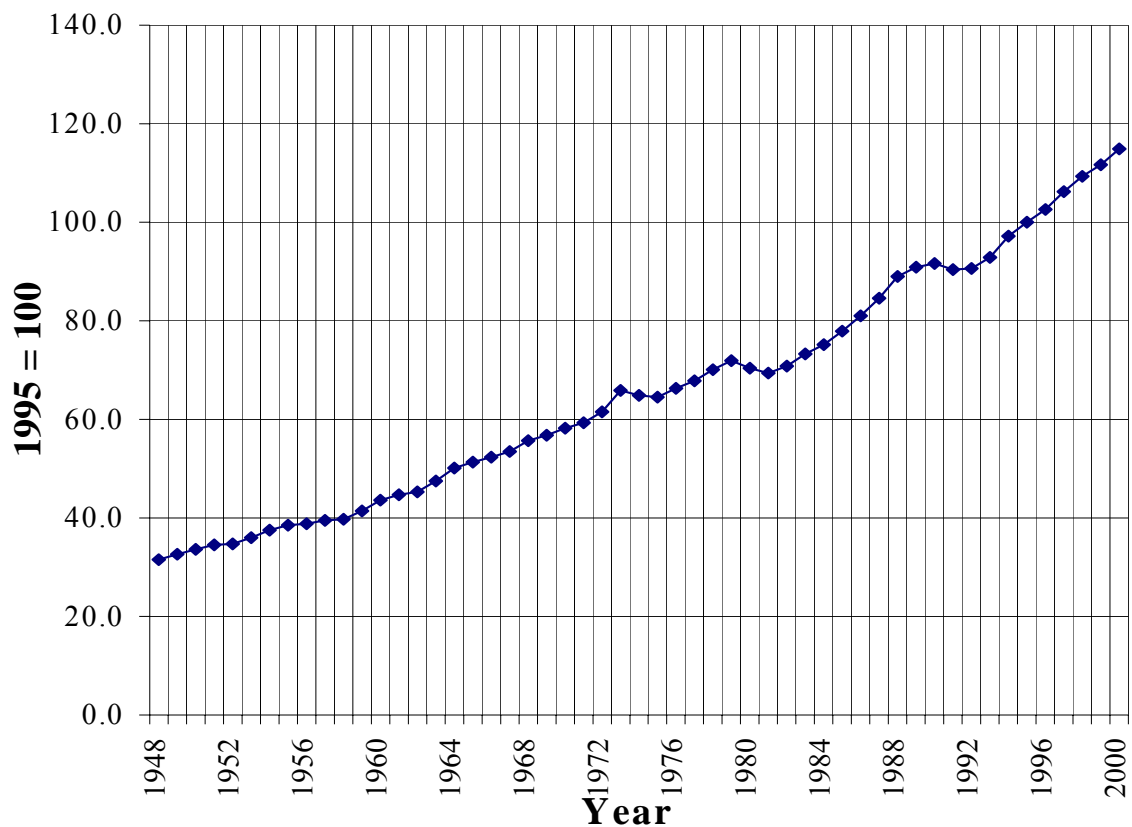
### **The Growth of Multiple Retailing and Sales Promotion**

Paul Feldwick, the Awards' judge convenor in 1988 and 1990, and Tim Broadbent, the judge convenor in 2000 and Simon's son, attribute that before the beginning of the Awards, there were some pressures on advertising agencies that triggered the idea of

proving sales effect of advertising. They included the economic recession, the growth of multiple retailers, the growth of sales promotion and direct marketing and the myth of ineffectiveness of advertising published in some books and articles (Feldwick, interview 28 June 2005; Broadbent, interview 4 July 2005). The economic downturn can be illustrated by the Gross Domestic Product (GDP) as the following chart:

Figure 5.1

### Index of UK Gross Domestic Product at Constant 1995 Prices

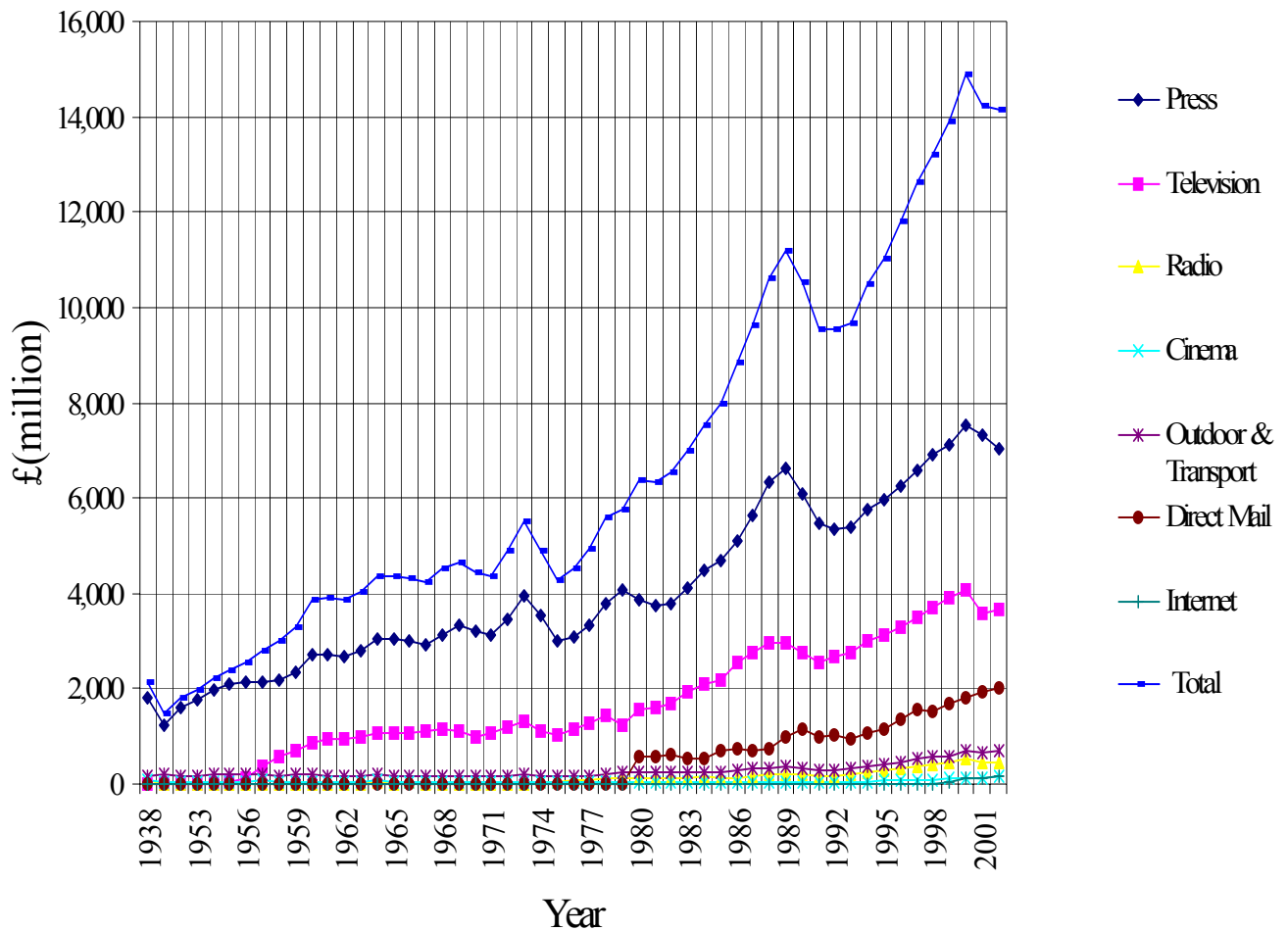


Source: Economic Trends: Annual Supplement 2001 (Office of National Statistics, 2001)

The GDP declined during 1973 – 1975; however, Treasure (1974/75) estimated that it had been stagnant or even decreased in real terms. It was because product prices in the UK had been incremental from 1945. He called it the long-term worldwide phenomenon of economic depression unprecedented from the 1930s. In fact, the British economy was growing slowly during the 1960s because consumers spent less (Treasure, 1971). It was combined with an international affair and domestic politics. In 1973, Arabian countries decided to have the monopoly of oil price that affected its increase as a result of the Israeli War. Inside Britain, trade unions became widespread throughout the country and required more negotiating power to obtain higher wages. The government tended to subsidise its money for convenience to solve some problems (Treasure, 1974/75). Moreover, one of its major decisions was sterling devaluation which raised labour wages and product prices (Holker, 1970). The economic recession resulted in the decline in clients' advertising expenditure during the equivalent period as shown in the following graph:

Figure 5.2

## Advertising Expenditure by Medium at Constant 1995 Prices



Source: Advertising Statistics Yearbook 2002, 2003 (Advertising Association, 2002, 2003)

Another factor that affected the clients' reduction of advertising appropriation was the growth of multiple retailers. The relationship between manufacturers and retailers reflected the concept of branding and the tug-of-war between the two. Manufacturers have branded their products in order to link themselves directly with consumers since the

Industrial Revolution. In those days, brands gave the public confidence about the product quality and indirectly forced retailers, or in fact groceries, to stock manufacturers' products (Nevett, 1982). During the late nineteenth century, it was wholesalers that became more dominant than retailers. Retailers selected what wholesalers had in stock and wholesalers told manufacturers what to produce. Again, manufacturers used their brands to make a direct link with consumers but this time via advertising. Therefore, the first half of the twentieth century saw the manufacturers' retrieving power as they were the one who controlled the goods price (King, 1971). However, after the Second World War, wholesalers fade out and retailers became stronger in a form of aggregates. Multiple retailers are several shops owned by the same group of people (Christopher, 1972). They are not small corner shops or local groceries.

The emergence of multiple retailers was supported by a few factors after the War. First, it was the abolition of Resale Price Maintenance (RPM) in 1958 and of rationing in 1954. RPM had its origin during the last two decades of the nineteenth century but was widely used during the interwar years. RPM assured manufacturers that every retailer sold goods at the same price without the difference in store size or regionality. RPM was used to protect the small retailers from the price-cut of the large ones. Therefore, retailers competed with each other by better service, not goods price. RPM was supported by rationing under which consumers were provided goods at registered stores (Morelli, 1998). But after the War, the death of small shops and wholesalers made the remaining retailers concentrate into multiples. Consumers' spending was low and there was no restriction about the retail price (Hobson, 1977/78; Shaw et al., 2004). It was an opportunity for multiple retailers to attack manufacturers with price competition (Morelli, 1997). Manufacturers did not like retailers' concentration because it meant that they had to compete with each other more fiercely within a shop (Christopher, 1972).

Meanwhile, the American concept of self-service stores came to Britain during the 1950s and it was apparent in a form of supermarkets in the 1960s (Morelli, 1997). The number of supermarkets that increased from 400 in 1960 to 4,000 in 1970 indicated the popularity (Christopher, 1972). In fact, British people had been familiar with a kind of self-service called co-operatives. But co-ops could not beat supermarkets. Supermarkets needed more space and investment but were profitable because they offered more product choice to consumers and could be operated under less overhead costs. Large areas of supermarkets induced more employment which was supported by the government that wanted to solve the problem of labour shortage. Large stores needed centralised management. Therefore, after the War saw the increasing power of multiple retailers as they took control over the whole distribution chain (Morelli, 1997, 1998; Shaw et al., 2004). In the 1970s, King (1971) estimated that there was more concentration of retailers which put more pressure on manufacturers' profit margins.

Another strategy that multiple retailers used was private-label or own-brand. Private brands mean those that were produced under the name of the retailer and sold only at the retailer's shops (Christopher, 1972). An advantage of own brands over manufacturers' brands is low price. Retailers gain more profit margins from their own brands than manufacturers' brands. In fact, retailers had their own brands before 1958. Their own brands did not have an impact on manufacturers' brands. One of the reasons was the poor quality of their own brands. But after the War, they were highly popular because of the economic recession (Morelli, 1997). Another advantage of own brands is the fact that retailers do not need to pay for promoting the brands because manufacturers have paid for it. When manufacturers pay the marketing costs for their brands, they expect consumers to buy their products at retail shops. But when consumers come to the shops, they might be interested in cheaper retailers' brands. Own brands are not usually

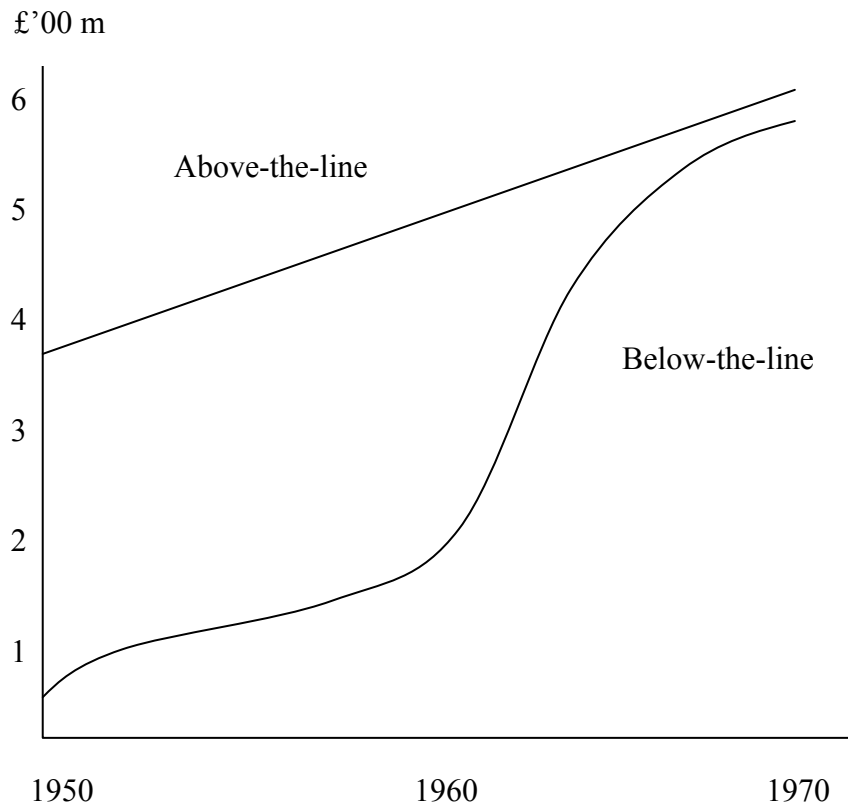


produced by retailers but in fact by manufacturers. On the one hand, manufacturers do not want to lose their income of producing retailers' brands. On the other hand, they feel awkward to help the private brands steal their market share (Christopher, 1972; Hobson, 1977/78).

Under omnipresent pressures – the economic recession, the stronger force of multiple retailers and the growth of own brands – manufacturers decided to use more of sales promotion than advertising. Although some advertisements can be regarded as sales promotion such as coupon inserts in magazines or price reduction television commercials, sales promotion in this case means below-the-line activities as opposed to above-the-line advertising. The two terms was defined by Proctor & Gamble and widely used during the 1960s and 1970s. Above-the-line means mass media advertising that advertising agencies receive the commission from the media owners. It includes television, radio, newspapers, magazines, outdoor and transport media. Below-the-line, on the other hand, means activities in non-traditional media such as display, point-of-sales, exhibitions and sponsorship (Jefkins, 1995). Christopher (1972) classifies below-the-line into two groups. Consumer promotion is the strategy that pulls consumers to buy products in the stores and trade promotion is the strategy that encourages retailers to push manufacturers' products out of their shops. Consumer promotion includes free samples, price reduction and premium while trade promotion includes discounts, free goods and competitions. In fact, the 'line' is arbitrary as many types of consumer promotion appear on the mass media. In my view, advertising agencies use the two terms to distinguish between theme advertising which advertises about product characters and promotional advertising whose messages are about price reduction or free samples. Although promotional advertising uses the mass media, it runs in a very short term. What agencies want clients to invest their money on is theme advertising that runs in a long period and has a real sense of advertising.

Spending on sales promotion and on advertising cannot be compared directly as sales promotion costs are not obvious and roughly estimated among many users in the industry. However, there is some evidence indicating the higher rate of expenditure increases in sales promotion than in advertising from the 1950s to the 1970s. Treasure (1971) saw the increase in consumer promotion indicating that manufacturers had spent more on below-the-line than above-the-line. Darby (1970) saw the budget transfer from advertising to sales promotion from 1965. Manufacturers spent £494 million on advertising but sales promotion expenditure was estimated at more than £400 million in 1968. He felt unsurprised to see that manufacturers spent more than half of the total marketing budget on sales promotion. Christopher (1972) estimated that the below-the-line expenditure was at £350 – 450 million while the above-the-line one was at £500 million during 1965 – 1969. But when looking back from 1950 to 1970, the sales promotion expenditure had been growing more exponentially than the advertising one. Advertising agencies were worried about this. Under the limited marketing budget, more proportion of sales promotion meant less proportion of advertising. And growing income from the media commission was not as fast as the companies' expenses. The estimated expenditure of sales promotion and advertising can be illustrated in the following diagram:

Figure 5.3



Source: Marketing Below-The-Line (Christopher, 1972)

Manufacturers used sales promotion for some reasons. First, during the economic downturn, the mass media price for advertising was too high. Sales promotion was better because of its low price. Second, sales promotion was more flexible, simply to manage than advertising that was more structured and needed a long-term plan before action. Its flexibility became advantageous under the market uncertainty during the economic recession. Sales promotion could be easily used when manufacturers wanted to introduce a new product. It could create initial impact on consumers to try the new product in a broad scale of market. Third, it could trigger immediate sales volume for a new product launch or stimulating a sales drop of established products. Sales results of sales promotion were easier to observe, particularly in a short period, than that of advertising. It became a

weapon for a brand manager to pull the sales graph up and show it to the executives (Goodwin, 1971; Petersen, 1980; Christopher, 1972). However, sales promotion had some disadvantages. First, there was little research on its effectiveness. Sometimes, it was found that it could raise a very short-term effect, for example within a month, and its effect would disappear within three months. Therefore, it was believed that sales promotion was not worth investing in a long term. Sales promotion also had a bad reputation because of being an ill-structured discipline. There was no clear regulation to control its quality. For example, some retailers could receive the manufacturer's trade promotion but did not take action as agreed (Darby, 1970; Goodwin, 1971).

Marketers who were the proponents of sales promotion saw the advertising agencies' anxious reaction on behalf of sales promotion. According to Christopher (1972) and Bantick (1980), as agencies gained the commission from the media, they could not cope well with sales promotion. They might have admitted the concept of integrating above- and below-the line in a campaign and some agencies might have had in-house sales promotion departments or even subsidiaries. In practice, they tended to offer sales promotion activities when pitching a new client but persuade the client to use mass-media advertising thereafter. Clients also knew the agencies' purpose. They knew that agencies were not expert in managing sales promotion; therefore, they turned to hire sales promotion consultancies instead. It reflects clients' attempt to regain managing power. Under the brand managing system, clients assigned a brand manager to be responsible for a certain brand with a wide variety of communication tools.

Some agency people such as Ann Burdus (1975/76), who was the vice-chairman of McCann-Erickson and later one of the IPA Awards judges in 1990, admitted that it was the agencies' fault that they had not recognised themselves in reality. Under the commission system, "we were a fat, well-paid and relatively inefficient business" (p. 23).

When the business was attacked by the economic uncertainty, the number of agency staff had been declining. Many agency people saw their equivalent of marketing people in client companies get better paid but they had to take more risk. Agencies should have recruited knowledge-enthusiastic rather than stylish or salary-seeking people. If they were worried more about their billings and the organisations' future than trying to develop knowledge within the advertising discipline, they would lose both clients' and media owners' confidence. Burdus raised the issue of professionalism as she saw the agencies' low professional and ethical standard during the squeezed economy. Some agencies damaged the long-term reputation of the industry for the sake of little benefit of cash currency. Economic pressure would stimulate competitions and raise the industry standard. Agencies should have taken this opportunity to develop the essential elements of advertising and transfer them to the next generation. She believed that the long-term value of advertising agencies was to give clients professional advice on the basis of broad knowledge. Burdus's idea was consistent with Simon Broadbent, Stephen King and some other agency people who were involved with the IPA Awards with the purpose of learning and developing advertising knowledge. Her idea also reflects why the Awards entrants were account planners. As described in the earlier chapter, account planners acted as academics in advertising agencies. Meanwhile, her idea reflects the fact that it was only large agencies that could say something like 'we should care more on knowledge than our income.' Evidence from the IPA Awards will show that being an award scheme as a kind of competition could damage the intention of knowledge development.

Burdus's view was supported by Holker (1970) who was the advertisement director of IPC Newspapers. Although he was not involved with the IPA Awards, his view towards the situation would clarify how the Awards invited some media people to

be their judges, particularly during the 1990s. Holker stated that advertising agencies were one of the booming businesses after the War. They recruited new graduates, developed market research techniques, gave clients advice about new product development and so on. But in the 1960s when agencies' profit was reduced, they had to rationalise themselves. The mass media industry was also affected by the declining economy. Media owners encountered the price competition among each other. And they saw sales promotion as their enemy as did agencies because sales promotion made them lose their income. Holker suggested that media owners should have encouraged agencies to prove advertising sales effectiveness. However, media owners should not have kept waiting for agencies' methods of evaluation. His company, for example, had a sales team that gave clients professional advice about marketing problems and research, particularly readership and viewership. It seems that although the IPA had the media's cooperation, the media might not be as helpful as they should have been.

Although the Awards had been proving sales effectiveness of advertising for years, no matter how the economy would be, the hostility towards sales promotion remains among the agency people. It came from Leman's idea in 1969 when he pointed out the difference between sales promotion and advertising. Sales promotion should be used for the short-term period while advertising should be used for the long-term period. A disadvantage of sales promotion was that it exploited the future sales of the brand. It was done in the same way as what manufacturers did for productivity. Instead of training the employees in the hope that their improved skills would help productivity in a long term, the manufacturers decided to cut cost by hiring the employees according to the daily schedules. It means that the manufacturers were spending the future sales that should have been the outcome of the long-term productivity (Leman, 1969). Agency people who are involved in the Awards adopt Leman's idea. An advantage of sales promotion is that

it is the marketing communication tool easiest to measure the short-term sales effects. But it damages the brand in a long term. It brings the future sales to use at present. Sales promotion makes people buy the brand because its cheap price rather than its intrinsic values. The consumers expect the brand to be always cheap. And the manufacturers have lost the opportunity to increase the product price due to other values of the brand such as the better product quality or the better after-sale service. Sales promotion that destroys the brand is called price promotion because it aims at price reduction or discounts. And it does not add any other value to the brand. However, it does not mean that all sale promotions are bad. There is some kind of sales promotion that adds values to the brand. It is called the creative promotion. For example, Tesco Computers for Schools is the sales promotion that leads to helping the schools have more computers. Or Walkers crisps encourages the consumers to collect their crisps packs and exchange them for the books. This kind of sales promotion increases the brand added values because the premiums give the priceless values to the consumers (Pringle, Interview 22 July 2005; Olsen, Interview 22 June 2005).

Although the agency people accept that some type of sales promotion do the same job as advertising, that is, creating the brand added values, they still dislike sales promotion and see it as the advertising's enemy. In general, like Darby's view, they consider sales promotion a poor-quality discipline which could not be compared with prestigious advertising. Hamish Pringle (Interview 22 July 2005), who was an Awards entrant and managed the Awards as a VAC member from 1986 until he became the chairman of the Committee in 1996, illustrates the agencies' view towards the representative organisation of sales promotion:

“The MCCA [Marketing Communication Association]. They are not that big. And they are sales promotion agencies. That is what they are. The membership of the MCCA by and large is what we

would call sales promotion agencies. But because the word 'sales promotion' has bad connotations, they have changed it to marketing communication consultancy. There is the Institute of Sales Promotion. And the MCCA used to be called the Sales Promotion Consultancy Association. It used to be called the SPCA. And they relaunched it into the MCCA because they were embarrassed about being sales promotion."

While sales promotion is excluded from the Awards, direct marketing is in the limbo. The IPA has included direct marketing into its Effectiveness Awards since 2002. But some agency people still look down on direct marketing. According to Sven Olsen (Interview 22 June 2005), who had been a VAC member before becoming the chairman of the VAC in 2004, an advantage of direct marketing is its obvious demonstration of the sales effects because it can trace who actually buy the product and calculate the exact number of buyers. But its focus on the more specific target groups of communication than advertising results in a disadvantage. Direct marketers often claim that the feature of direct marketing is its low cost per response which means the amount of money spent to gain one consumer's response, particularly the product purchase. They said that the lower cost per response indicates the lower cost of investment than other marketing communication tools. However, it works only in the early stage of implementation, not in a long term. It is because the lower cost per response they want, the fewer number of audiences they can reach. And it ends up with the death of the brand. The media that offer the low cost tend to have a few numbers of audiences. Therefore, if the direct marketers decide to reduce the media cost, they are decreasing the number of their target audience. For example, they invest £1,000,000 and then acquire 1,000,000 buyers. The cost per response is £1. But if they reduce the cost of investment to £200,000 and then acquire 500,000 buyers, the cost per response is 40p. They therefore misunderstand that they have saved the cost but in fact they are killing the brand.



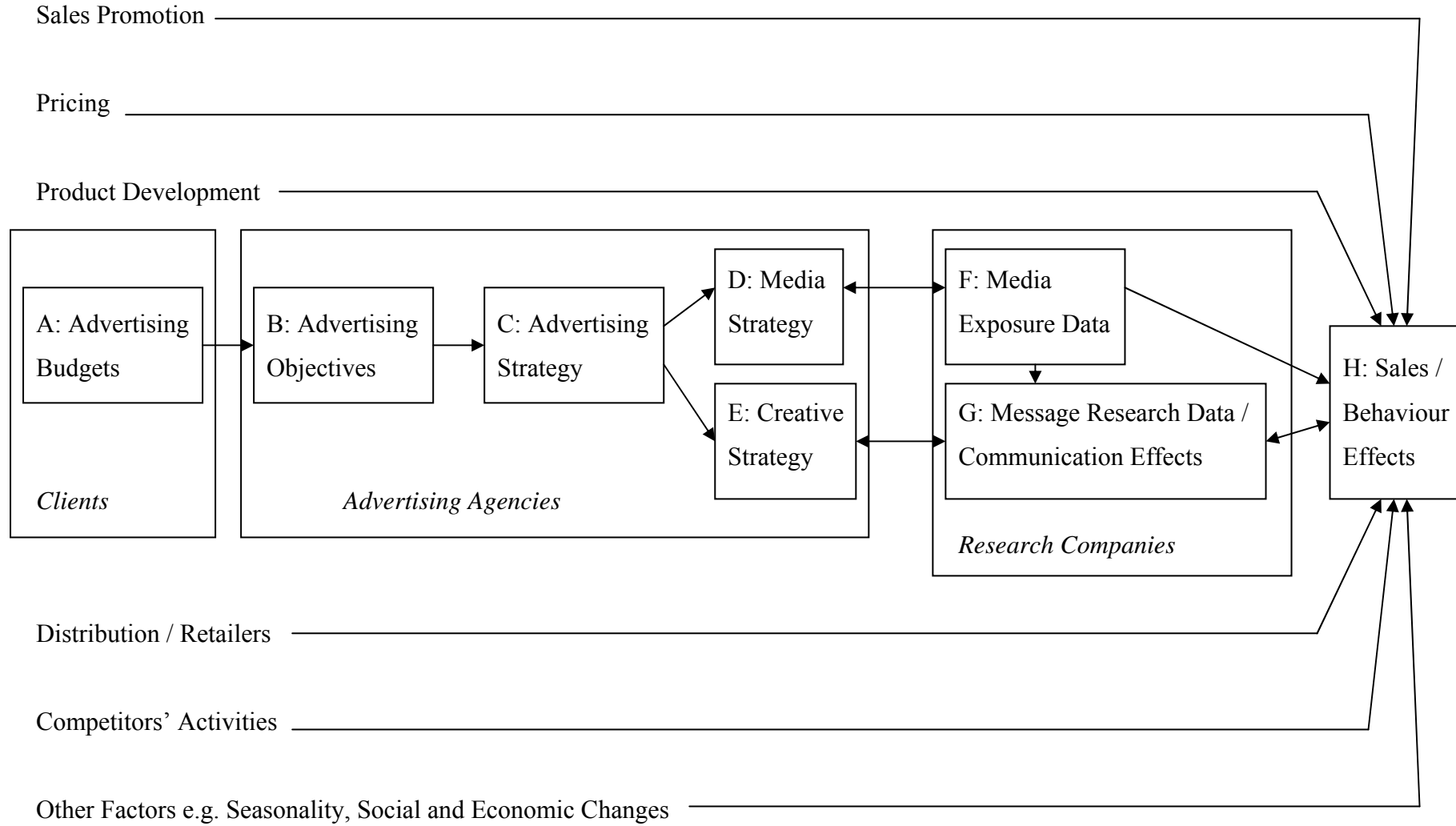
Among the four main tools of marketing communication, public relations is the only tool that can be clearly separated from advertising. Although public relations is the tool most difficult to measure the sales effects, public relations people do not care much about them. It is because most of their jobs are not involved with profit making (Olsen, Interview 22 June 2005). They have the similar organisational structure to the advertising agencies but their products and clients are different. Typically, public relations people contact the communication directors of the client companies. The communication directors deal with the internal communication whose target groups consist of the organisations' employees and shareholders. In contrast, advertising people contact the marketing directors who deal with the external communication of the organisations and whose target groups are consumers and retailers (Pringle, Interview 22 July 2005). In this sense, the advertising people do not count public relations as their rival. The agency people's attitudes towards sales promotion, direct marketing and public relations have a great impact on the changing period of the Awards between 2000 and 2002. The Effectiveness Awards which aim at measuring marketing communication effectiveness include direct marketing but not sales promotion and public relations. They exclude sales promotion because of their negative attitudes while they do not include public relations because it is in the different business, not because of their antagonism.

### **Elements in Proving the Sales Effects**

While the growth of multiple retailers and the marketers' preference on sales promotion were the external factor that urged the agencies to prove the sales effects of advertising, the internal factor was the body of knowledge about the sales effects developed by the media planners. They shared the notion of econometrics with the

marketers but later develop it in their own way to disentangle the advertising effects on sales from other marketing elements. The following diagram will be used to describe how the media planners did it more vividly. It will also be used in the next chapter when the topics of the communication effects of advertising are discussed.

Figure 5.4



The short-term effects of advertising in clients' terms means to see whether the advertising budget affects sales, that is, how Box A is related to Box H. Clients are also interested in their internal marketing factors that affect sales such as sales promotion, retailers' activities, pricing policy and product development as well as external factors such as competitors' activities and social and economic environments. Clients who are interested in Box F and G tend to be large manufacturers, particularly the FMCG companies. They want to know how advertising works in terms of both media and creative strategies because they spend a large sum of money on above-the-line advertising in a long period of time. The information about how advertising works helps them make a decision about the advertising budget for the next year. Advertising agencies' main function is creating advertising campaigns which consist of advertising objectives (Box B), advertising strategy (Box C) in which media strategy (Box D) and creative or message strategy (Box E) are included. Although advertising campaigns are created by advertising agencies, they are evaluated by research companies in terms of both media (Box F) and creativity (Box G). Box F comes before Box G because the audience has to be exposed to a medium before being exposed to the advertising message. Agencies are happy with managing the elements of advertising campaigns as long as clients feed them with the large amount of the advertising budget. But in the 1970s, the economic recession, the growth of multiple retailers, the increasing usage of sales promotion and the US ideology of communication-effect orientation urged agencies to expand their attention to learn about the advertising budgets (Box A), the sales effects (Box H) and other factors than advertising that affected sales, for example, sales promotion, price and distribution. The history of the IPA Awards shows that proving sales effectiveness of advertising started from Box B. It was the job of media planners who used media research data from research companies (Box F) to develop the knowledge of media effectiveness which in turn led to

the studies on the sales effects of advertising. Then, agency people tried to link all Boxes together and isolate the effects of other marketing factors in order to prove that their advertising commercially worked. There are two methods of proving the sales effectiveness of advertising: econometric modelling and experimentation. Each has advantages and disadvantages. In the 1970s, both methods were combined into one of the most renowned market experiments in the UK called Beecham AMTES (Area Marketing Test Evaluation System) which was related to the origin of the Awards.

### **Econometric Modelling**

Econometrics is an analytical process that economists use statistical methods, particularly multivariate or multiple regressions, to estimate the relationship between economic variables and result in mathematical models or equations (Jones, 1998; Tellis, 2004; Broadbent, 1989). It is used in marketing and advertising to disentangle marketing independent variables and see how much each influences the dependent variables i.e. sales. The independent variables are not only budgets or costs such as advertising, sales promotion, production and distribution but also anything that can be quantified such as packaging, competitors' activities, retailers' activities, weather (temperature) and economic change (Broadbent, 1989; Bloom, 1973; McDonald, 1993). It requires inputs which are then analysed to produce outputs. The inputs consist of advertising theory, data from empirical observations and statistical theory. Advertising theory suggests the nature of the phenomenon under study and the expected relationship between variables. For example, advertising theory suggests that the advertising budget and other marketing activities be independent variables and sales be the dependent one. Or the econometrician can use his/her own judgement to describe the variables that possibly affect sales. Then,

the econometrician collects and puts the data into the computer programme to calculate the relationship. It results in a model or an equation as follows:

$$\text{Sales} = a + b (\text{advertising}) + c (\text{price}) + d (\text{temperature}) + e (\dots) + \dots$$

The letter 'a' is a constant; 'b', 'c', 'd' and so on are weights that are applied to each independent variables. The econometrician calculates all weights to find the closest fit of the independent variables to sales movement or variation. It requires several attempts, sometimes with trials and errors, to create more than one mathematical equation and finally attain the most satisfactory model. The outputs are expressed in one form or another of coefficients that indicates credibility and validity of the model. Multiple regressions are used to indicate the strength of the correlation and predict the future of the dependent variable from independent variables. For example, the econometrician can predict the sales volume when he/she is told the amount of advertising money that will be spent next year. Modelling helps managers to test the 'what-if' situation, that is, to put the future values of independent variables and forecast the sales result based on the assumption of the model. (Tellis, 2004; McDonald, 1993; Broadbent, 1989).

As described in the earlier chapter about the derivation of marketing from economics, marketing people in client companies learned how to use economics in their territory. They borrowed econometric modelling from econometricians who used it to analyse micro- and macro-economic data. In the UK during the 1960s, modelling became a vocabulary item in the marketing dictionary when management science was applied to marketing (Jones, 1998; Bloom, 1973). However, some marketers were sceptical of modelling abilities to examine advertising effects. In their view, it did not help much in determining the advertising budget. As a result, econometric modelling had declined

among client companies for three main reasons. First, econometrics was too complicated for marketing managers to understand and required a high level of mathematics. Managers tended to discard it when they did not understand it. Second, it was believed that there was no model good enough to solve marketing problems. In reality, there were far greater numbers of marketing factors than to simplify them all into a model. Some significant variables might have been ignored and were not put into the model at the input stage. Some intangible variables could not be quantified into it. Thus, the model could not provide a complete picture of advertising effects on sales. Third, models required a large amount of data input which cost a lot of money. Some data were hardly available or too expensive to pay for (Jones, 1998; Bloom, 1973; Aaker and Myers, 1987). Broadbent who was on the agency side also realised that most manufacturers did not have enough data or well-trained staff in modelling. He suggested that they should have used modelling when having sufficient research data from various sources (Broadbent, 1975).

Advertising agencies were also interested in econometrics. In the media department, media planners were those who dealt with allocating the advertising budget into a variety of media. Simon Broadbent seemed to fit the position. He graduated in engineering, mathematics and statistics. After entering the industry in the 1960s, he joined the London office of Leo Burnett where he became a media director, research and planning director and vice-chairman, respectively (Anon, 2002b). He was assigned as a director of brand economics at the Chicago office during 1985 – 1989 (Broadbent, 1988, 1997). Tim Broadbent (Interview 4 July 2005), his son and the Awards judge convenor in 2000, reminisces about his father's character:

“My father, Simon, was a very significant statistician. That was his lifetime passion, was the application of statistical techniques to data that no one had thought of applying statistics to. ... He was one of the first who applied statistical techniques to advertising response data.”

Simon Broadbent brought economics into media planning in the UK. His interest did not stop at media planning jobs but extended to message research (Box G) and budget determination (Box A). It appears in his book about media planning, *Spending Advertising Money* (1975), that although media planners were not involved with the controversy about communication or sales effects of advertising, the consideration of creative content could not be isolated from media planning. Modelling was also described in details in his book while a well-known American media planning textbook by Sissors and Bumba (1996) did not mention it.

Media planners had two basic sets of data: media costs provided by media owners and audiences' media exposure such as press readership and television viewership provided by research companies. They convinced clients of their media selection by calculating Cost Per Thousand (CPT). In the UK, British media planners had another term called Valued Impressions Per Pound (VIP). Both CPT and VIP were measures of cost-effectiveness. But cost-effectiveness was not sales-effectiveness (Broadbent, 1975). CPT was used to compare costs between vehicles (e.g. *Daily Mail*, [*Name of TV programme in the 1970s*]) within the media (e.g. press, television) for 1,000 people. VIP was the comparison of impressions per pound. Impressions was the gross term for readership and viewership. Therefore, VIP could be used to compare the cost-effectiveness between press and television. But both CPT and VIP did not link with sales. They were indicators to tell which above-the-line medium was better. They could not tell whether all above-the-line media were better than below-the-line activities. Therefore, CPT and VIP were not sufficiently capable tools to fight with sales promotion in the IPA Awards.

Media planners had to make their own calculations because they needed better measurements to give clients advice about media choices than that given by research



companies. CPT and VIP were examples of media planners' calculations into which data from media owners and research companies were put. Research companies had to produce basic research data to sell to both media owners and advertising agencies. They left agencies to make their own measurements and, with media planners' scientific skills, they could do it. In this sense, media planners did not act passively, waiting for evaluation data from research companies to determine their future. Reach and Frequency were another two measurements produced by media planners. Both of them were based on media exposure data (Box F) i.e. readership or viewership from research companies. Media planners used Reach and Frequency to evaluate their media schedules and plans. Reach was the number of audience members who were exposed to the medium at least once. It was the unduplicated audience size. An audience was counted for the first time he/she was exposed to the medium in a certain period but he/she was not counted for the subsequent times. Frequency was the number of times that the audiences were exposed to the medium repeatedly. It was calculated as an average and thus called Average Frequency. In the early days of media planning, planners focused more on Reach in order to combine the audience sizes between press and television. Counting once for the four-week television result could be combined with the monthly magazine result. Later, planners found that Reach had a diminishing return. In the long term, it was difficult to build Reach while Frequency was increasing. Moreover, Reach was little related to sales. The medium that people were exposed to more frequently was assumed to sell more (Sissors and Bumba, 1996). The similar idea appeared in Broadbent (1975: 38) that "the more a person sees our advertising, the greater its effect."

Frequency seemed to be the more suitable indicator for sales. Planners started to look at the same data from another angle. It can be illustrated by the following example of television programme viewing:

Table 5.1

	Week 1	Week 2	Week 3	Week 4
Viewer 1	o	x	x	x
Viewer 2	o	x	-	-
Viewer 3	-	o	-	x
Viewer 4	-	-	-	-
Viewer 5	-	-	-	o
Viewer 6	-	-	-	-
Viewer 7	-	o	x	x
Viewer 8	o	x	-	x
Viewer 9	-	-	o	-
Viewer 10	o	-	x	-

Source: Adapted from Sissors and Bumba (1996)

O is an exposure that is counted as Reach while x is the one that is not. Reach is accumulated by week; that is, to look at Reach is to look vertically. Average Frequency for this schedule is 2.25 ( $GRP \div R = 18 \div 8$ ). Average Frequency does not tell media planners how frequently each target viewer is exposed to the programme because it was an average. Therefore, planners started to analyse the data horizontally. The result is called Frequency Distribution. The above table tells that there are 20% of viewers exposed to the programme once, 30% twice, 20% three times and 10% four times. There are also 20% of viewers who are not exposed to it at all. To look at the table horizontally tells planners that Frequency can be used as the independent variable and Reach as the dependent variable, and each viewer might provide more information than their viewing.

Frequency Distribution led to the concept of Effective Frequency, that is, how frequently the target audiences should have been exposed to the media that was counted as effective. Sissors and Bumba (1996) stated that two early major contributions to Effective Frequency came from British practitioners: Simon Broadbent and Susanna Segnit's 'Response Functions in Media Planning' (1967), and Colin McDonald's 'What is the Short-Term Effect of Advertising?' (1970). Frequency Distribution and Effective Frequency were developed into the concept of advertising response functions by the method of econometric modelling. Two well-known types of Response Functions were Convex-Shaped and S-Shaped. The Convex-Shape was consistent with the economic law of diminishing returns while the S-Shape had its origin in psychological laboratory experiments which will be described later. While Frequency (or Impression) was still used as the independent variable, Broadbent and Segnit (1967) extended the dependent variables or responses to message variables such as awareness, recall and attitude, and eventually brand sales volumes. It was media planners' attempts to expand the scope of their work and to articulate media effectiveness (Box F) and creative effectiveness (Box G) together (Sissors and Bumba, 1996). Moreover, Frequency signalled the size of clients' advertising budgets as more repeated advertising meant more money to be spent (Elliott, 1985). It meant that advertising budgets could be interpreted as frequency of media exposure. Similar Convex-Shape and S-Shape frequencies were also found in the client side such as Kotler (1988) and Albion and Farris (1981). The difference was only the fact that clients used advertising budgets as the independent variable, not the frequency of media exposure as did agencies. It can be said that Broadbent and Segnit's work was an early attempt to explain 'advertising effectiveness' by going beyond the scope of advertising agencies and linking their Boxes with others' Boxes. In fact, it was media planners who had skills and knowledge to ignite the idea of proving the

effectiveness of the whole advertising campaign against other marketing variables. However, as media planners' interest was frequency of media exposure and they had other media analyses to do, other marketing independent variables such as sales promotion, product quality and pricing were beyond the scope of their work. As Broadbent and Segnit (1967: 195 – 196) put it:

“It may seem unnecessary to emphasise that our definition is about the response to advertising. But as soon as we consider practical measurement we realise that we have to disentangle advertising from other marketing activities, the product itself and so on. ... Media effects are often small compared with the effect of other activities. ... The dominant factor in advertising effectiveness is in any case unlikely to be the media plan but the creative ability of the agency. ... While this may not always play a part in media strategy it does make research evaluation extremely difficult.”

Response Functions were therefore an indicator of media effectiveness (Sissors and Bumba, 1996). It was not that of advertising effectiveness. Advertising effectiveness, in Broadbent's view, meant the combination of media and creative, i.e. message, effectiveness (Broadbent, 1975). It became account planners' job to use the elementary knowledge of media planning to develop how to prove advertising effectiveness in the IPA Awards.

Agency people had the similar experience with clients about disadvantages of econometrics. Response Functions that were developed by the modelling method began to wane during the 1970s. It simplified reality but there were too many factors or some qualitative and judgemental issues that could not be added into the model (McDonald, 1984). In contrast, Broadbent (1975) suggested that some 'soft data' such as beliefs and experiences in media planning, though being qualitative, could be transformed into numbers and put into the model. But planners had to do it with caution and test the model

with other methods such as experiments as well as flair and common sense. His idea was consistent with McDonald's (1993) that modelling was a process to test an assumption and should have been used with common sense and personal judgement. However, some media planners disagreed with his idea and preferred to keep using their own judgement or intuition when making a media planning decision (Broadbent, 1975). Broadbent's idea of transforming soft data into numerical data became a prototype for econometricians working for the IPA Awards. Les Binet (Interview 13 July 2005), an econometrician at BMP, used a statistical technique called binomial to transform qualitative data into numbers and put them into the model.

Econometric modelling had three advantages. First, it focused on problem solving without long discussions. It summarised historical data of the brand and made some muddling issues of marketing and advertising clear and simple. Second, using modelling with personal experience helped managers make a better decision on budget setting than purely intuition. Third, modelling could be used for prediction, particularly the relationship between budget setting and sales forecasting (Broadbent, 1975, 1989). However, it seems that disadvantages outweighed the advantages. First, modelling did not help develop any theory of advertising. In fact, as modelling was based on quantitative approach, it was more likely to test theory than generate theory. If a wrong theory was used as a base or there was no theory that could be applied to a specific case, modelling might have led to a wrong advertising decision. Second, it did not explain how advertising worked or, more specifically, how advertising and other factors affected sales. In other words, it indicated only correlations between variables, not causality. Modelling had an inherent assumption that variables were independent of each other. That was the reason why it was used to disentangle advertising effects from other marketing factors. But in reality, those variables were interdependent. For example, advertising might have

an impact on price or retailers' activities. It meant that independent variables might have affected each other. In this case, the independent variables were not actually 'independent' but 'interdependent' and the outcome indicated what was called the spurious relationship. Seeing that advertising was more highly associated with sales than other factors did not mean that advertising caused sales. Therefore, modelling should have been used with other research methods such as experiments. Third, modelling was just a technique to forecast the possibility of problem solutions, not the absolute answer. It did not represent everything in reality and was impossible to put all variables into the model. Some forgotten variables were important and brought about misinterpretation. Modelling seemed to give authority to its results and close an opportunity to other discussions and applicable methods. Fourth, modelling did not work if clients advertised continuously. The short-term effect of advertising could be observed by seeing a 'blip' on the sales graph which indicated sales variations in a certain period. It usually happened when clients used 'burst' media scheduling. But if they used 'continuous' scheduling or overspent on advertising, the sales effects of advertising were hardly detectable as sales looked stable. It was assumed that advertising effects was blended with other marketing factors' effects in the long term. There was also a belief that advertising had a long-term impact on the brand's image and goodwill. However, managers tended to cut down advertising budgets when they could not see the short-term effects of advertising on sales in the model. Any change about advertising in a short term affected its results in a long term. Making a precipitous conclusion that advertising did not have a short-term effect on sales and then changing advertising budgets might have distorted the real picture of long-term effects of advertising and destroyed the brand's image and goodwill. Using modelling alone, therefore, sterilised the correct understanding of long-term effects of

advertising (Broadbent, 1975, 1989; McDonald, 1993; Aaker and Myers, 1987; Jones, 1998).

This was a point that caused a conflict between agencies and clients. Agencies claimed that advertising had some long-term effects which were cumulative over time but they could not prove it. They argued that clients were often more likely to cut down advertising budgets when they could not see the short-term sales effects of advertising. Clients' behaviour undermined the real value of their business i.e. the long-term effects. On the other hand, clients, though some of them believed in the long-term effects of advertising, tended to focus on the short-term effects. They used the inability to prove the short-term effects of advertising by advertising agencies as an allegation that advertising produced by agencies did not help increase their business profit during the economic recession in the 1970s. This idea was provocative in agencies' eyes as they wanted clients to maintain the advertising level. As Broadbent (1989: 122) stated, "the biggest omissions in the theory behind most models are that advertising has only short-term and direct effects, and that the manufacturer's objective is only short-term profit." Although Derek Bloom, a marketing service director of Beecham which was one of the large FMCG companies during the 1970s, argued earlier that modelling had become less popular among clients, it seems that they tended to think of modelling when wanting to prove the short-term effects. It can be said that marketing people, as their discipline was tied with economics, tended to rely on economic tools such as econometrics although some of them did not understand it well. John Downham (1973), the head of marketing research of Unilever, reflected a client's view that most advertisers tried to develop models in order to attain some scientific budget setting method. Advertising agencies had to learn about modelling as being a scientific method although it did not help prove the value of their business.

## **Market Experiments**

While modelling indicated only a correlation, experiments could indicate a causal relationship (Broadbent, 1989). Market experiments were a research method that the UK advertising practitioners imported from the US where market experiments had been implemented without modelling. The S-Shaped Response Curve had its origin in laboratory experiments in psychology. Laboratory experimenters studied how advertising exposure, as a stimulus, yielded different kinds of responses such as attention, liking or even buying intention. For example, in 1959 Hubert Zielske studied how the repeated advertising exposure affected brand awareness. Another study done by Robert C. Grass in 1968 was measuring the relationship between TV commercial exposure and attention or interest (Naples, 1979). But it was Herbert Krugman who suggested the ‘three-hit’ theory on the basis of S-Shaped Curve that advertising would work from the third media exposure onwards. In the first exposure, consumers would ask, “What is it?”; in the second exposure, they would ask, “What of it?”; and the third exposure would remind them of the preceding two (Sissors and Bumba, 1996). Like Broadbent and Segnit, Krugman’s theory was another early attempt to link media effectiveness (Box F) and creative effectiveness (Box G) together. The difference was the methods used. While Broadbent and Segnit used econometric modelling, Krugman used laboratory experiments.

Laboratory experiments led to a broader scale of experimental designs in marketing. Another alternative for market experiments was conducted in a field setting (Naples, 1979). Laboratory experiments could show a stronger degree of causality than field experiments but field experiments could represent the real world better than laboratory experiments. American marketing and advertising people used both laboratory and field experiments but laboratory experiments did not seem to be welcomed in the UK.



Jeremy Elliott, an IPA Awards entrant who entered the competitions from 1980 to 1986, expressed a negative British practitioner's view on American laboratory experiments. The results of laboratory experiments were unsatisfactory, he maintained. They were conducted in an artificial setting. Respondents were deliberately exposed to the advertisement, which was not as natural as when they were at home. In this sense, advertising exposure in laboratory experiments did not represent the real-world advertising exposure which was based on media exposure. Moreover, the effects of either media or advertising exposure were concerned with psychological variables such as awareness, recall, attention and persuasion. None of them could be related empirically to sales (Elliott, 1985). Based on his arguments, it meant that Krugman who used laboratory experiments to suggest the link between media effectiveness (Box F) and creative effectiveness (Box G) exaggerated media effectiveness generated by laboratory experiments. In fact, what he used was advertising exposure (Naples, 1979). Based on the knowledge of communication effects described in the earlier chapter, advertising exposure was the beginning variable in Box G, not the media exposure in Box F.

One might have argued that clients in fact did some experiments by using survey data during pre-testing and post-testing. For example, they used standardised scores from research companies' surveys to evaluate consumers' attitudes towards the new advertising copy before it was actually transmitted, that is, the pre-testing stage. And in the post-testing stage, they used the scores from tracking studies which were also survey data and provided by research companies to evaluate attitudes towards the transmitted advertisement. In this sense, the new advertising copy was the stimulus in Box E that induced consumers' response in Box G. However, clients' pre-testing and post-testing were what Banks (1965) called 'tests' or 'pre-experiments', not true experiments. True experiments needed at least two groups called the experiment group and the control group

in order to compare the results between the two. The control group was necessary because the experimenter wanted to know whether the treatment or stimulus did have an effect in the experiment group, compared with the control group, which was not exposed to the stimulus. Therefore, pre-testing and post-testing using survey data could not give a strong degree of causality because they did not have the control group.

Media exposure data (Box F) and message research data (Box G) provided by research companies came from surveys. Survey results were descriptive while experiment results were explanatory. In surveys, people might have said that they had thought, felt and done something related to advertising campaigns. But it could not be concluded that their responses were caused by the campaigns. It meant that surveys did not give the logical inference that the independent variables or causes affected the dependent variables or effects as did experiments. In this sense, surveys could give information in Box F and G only while experiments could give some insight about how media strategy (Box D) had an impact on people in terms of media effectiveness (Box F) and creative strategy (Box E) had an impact on people in terms of creative effectiveness (Box G).

The only survey result in Box F was media exposure data. Media planners used media exposure data from research companies to calculate Reach and Frequency. It meant that Reach and Frequency were descriptive because both were based on survey data. With the concept of Effective Frequency, media planners could translate clients' advertising budgets (Box A) into media strategy (Box D). With the concept of Response Functions, they could link media strategy (Box D), media effectiveness (Box F), creative effectiveness (Box G) and sales (Box H) together. However, because Response Functions were created by the method of econometric modelling, they could explain the links between four Boxes in terms of correlations, not causation. If they could prove that their media strategy (Box D) caused sales (Box H) by experimentation, their job was

completed. Clients' advertising budgets were translated into media strategy and media planners could provide them with media effectiveness in terms of descriptive results such as Reach and Frequency and of the explanatory result i.e. sales. Creative effectiveness in Box G might have been related to their work but was not in their domain. In fact, media planners were agency people who were interested in market experimentation. For example, Seymour Banks, vice-president of Leo Burnett in Chicago, developed several techniques in market experimentation which was helpful in media planning (Banks, 1965; Sissors and Bumba, 1996).

What was left was creative effectiveness despite the fact that creativity was a main product of advertising agencies. Research companies provided survey results in Box G. The US studies of communication effects suggested that psychological variables in Box G might have been awareness, recall, comprehension, liking and buying intention. But there were a few weaknesses. First, buying intention was not actual buying (Box H). Second, the US practitioners' belief in the hierarchy-of-effects model or the linear model in the British term could deceive clients in misinterpreting the results. It was because the hierarchy-of-effects model had an assumption that each step, except the first one, occurred conditionally upon its preceding step (McGuire, 1989). Research companies might have cross-tabulated awareness and recall, for example, and said that awareness, the independent variable, caused recall, the dependent variable (Flay and Cook, 1989). But cross-tabulation of survey data did not make any difference from multiple regressions in econometric modelling. Both indicated correlations, not causation. Therefore, to say that awareness caused recall was not valid. And it was consistent with the idea of the IPA Awards' early contributors such as Broadbent and King that, from the British experience, those variables could not be explained in a linear pattern which will be described later. According to the directive theories of persuasion, the media and message strategy were

the real inputs or independent variables and communication effects from exposure to intention to act were in fact the outputs or dependent variables (McGuire, 1989). Cross-tabulation of survey data did not demonstrate how creative strategy (Box E) had an effect on consumers (Box G). It was laboratory experiments that could prove such causation. For example, in the US, laboratory experiments were conducted in order to see how using celebrity or humour in advertising messages caused attention or favourable attitudes (Tellis, 2004). It might have been assumed that laboratory experiments could indicate the causal relationship between creative strategy (Box E) and its communication effects on consumers (Box G). Nonetheless, the application of laboratory experiments such as Krugman's was not extended to proving the causal relationship between media strategy and sales, and more importantly, between advertising strategy and sales. It was the function of the IPA Awards to demonstrate how advertising strategy (Box C) as an input or independent variable caused the effects, particularly sales (Box H). As Michael Hockney (Interview 13 July 2005), the VAC chairman from 1984 to 1992, stated:

“This is a competition about advertising effectiveness. So, this is the competition about how you move from the client's marketing strategy through an advertising strategy to a creative approach and a media plan that delivered what the client wants. ... But the main thrust is on strategy, on the whole strategy, not just on the creative component. Now, there is no question in my mind that during the time that I was the chairman of the Awards, the focus was on strategic excellence.”

However, the method the Awards used to prove the causal relationship between advertising strategy and sales was not experiments. In fact, they were an alternative when agency people had found some defects of conducting field market experiments in the UK.

To sum up, laboratory experiments could give a strong degree of causality but were conducted in a non-naturalistic setting. And they were used to explain causality

between creative strategy (Box E), or more particularly creative executions, and its effects (Box G) only. Surveys, though they were used in pre-testing and post-testing, could not give a strong degree of causality and might have lured clients to misinterpret the correlation as causality. Moreover, both methods did not allow the researcher to consider other marketing factors such as sales promotion, price and distribution. As Banks (1965: 10) stated, “surveys [were] not usually helpful for such investigations since people seldom evaluate the reactive importance of these and similar external or environmental factors on purchases.”

Field experiments might have been a better alternative. In the UK, they were called Area Tests. They started from selecting two or more cities or towns that could receive similar television transmission or where the press was the main medium. The selected cities or towns had to have, as much as possible, similar conditions such as consumer characteristics, transmitted television programmes, newspapers sold or even weather. The only difference between areas was the variation of advertising such as the advertising budgets, different media schedules or introducing new copy which in fact focused on creative executions such as humour or slice-of-life. The observed results were sales and perhaps some communication effects like awareness and attitudes (Bloom and Twyman, 1978; Broadbent, 1998; Segnit and Broadbent, 1970; Jones, 1998; Downham, 1973). Area Tests could provide the results in terms of causality under real-world situations. Moreover, they allowed researchers to use not only advertising budget (Box A), media schedules (Box D) and creative contents (Box E) but also other marketing factors as independent variables. Like modelling, another advantage of Area Tests was the fact that they helped managers to make a better decision about advertising budgets based on a better understanding of the relationship between independent variables and sales (Broadbent, 1975).

Marketing and advertising people on both sides of the Atlantic were not actually satisfied with the application of Area Tests although they had a few advantages over laboratory experiments and surveys. There were some general defects of Area Tests. First, they were expensive in terms of setting up experiments, collecting and analysing data and security costs to keep the data secret in the areas. Second, retailers might not have given their collaboration. In an area where the client used less advertising, the retailers might have launched some sales promotion activities to persuade consumers to visit their shops. Third, competitors, if they knew that the client was conducting an experiment, might have disturbed it by, for example, introducing a new product or a new advertisement or even offering an attractive promotional scheme. Fourth, it took more than one year to obtain the valid results. But managers in client companies wanted to know the results within a year in order to determine the advertising budget for the next year. And the delay in budget determination cost a lot of money. Sometimes, marketing environments had changed and thus the experimental results were out-of-date and inapplicable (Aaker and Myers, 1987; Segnit and Broadbent, 1970; Broadbent, 1975; Jones, 1998).

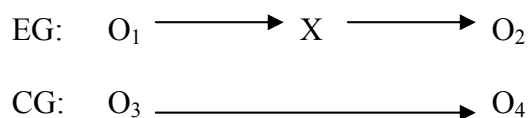
### **Area Marketing Test Evaluation System (AMTES)**

Area Tests had their origin in biological experiments developed by Ronald A. Fisher. The basic principle of Fisherian field experiments was making a comparison among treatments in one experiment, which was more economical than measuring the results by using each treatment in a separate experiment and then comparing them. But the problem was how to disentangle the effects of each treatment in one experiment, particularly if other external factors were included. The effects of external factors were eliminated by randomisation in which the experimenter allowed these external factors to

occur by chance alone. He/she chose the subjects using random number tables and mixing up other factors to allow them to happen by chance. In biology, Fisherian experiments like this worked because the subjects were animals, plants or other material things, not human beings. But in the social sciences, experimentation developed by Campbell and Stanley and originally used in the field of education was more useful because they realised the effects of people's reactions to experiments that affected the experiments themselves (Banks, 1965). Aaker et al. (1995) classified market experimentation into two main types: classical designs and statistical designs. The former was Campbell and Stanley's method. It was conducted in schools where the environment was similar to laboratories. An advantage of laboratory experiments was internal validity which meant plausibility to conclude that the treatment had an effect. But laboratory experiments had less external validity which meant ability to apply the result to the real world. The external invalidity of laboratory experiments did not satisfy marketers; therefore, Banks developed Fisherian experimentation into statistical designs which could be used in the real market situation. In this sense, Banks' method was field experiments whose advantages and disadvantages were the opposite of laboratory experiments. Field experiments had more external validity than internal validity. To conclude that the treatment had an effect, the experimenter had to prove that no other external factors could explain the effect. He/she also had to prove that internal factors within the subjects had the least effect on the experiment. It was called experimental errors. For example, in an experiment, the advertising copy was the treatment; price, distribution and sales promotion were external factors; the level of subjects' awareness of advertising before they were given the treatment was an internal factor.

To eliminate some weaknesses of Campbell and Stanley's laboratory experiments, Banks used randomisation as a recommended sampling method and the Analysis of

Variance (ANOVA) as a statistical tool for analysing data. I shall compare Campbell and Stanley's true experimental design with Banks' completely randomised design to explain this. Campbell and Stanley's true experimental design can be illustrated as the following diagram:



where EG is the experiment group; CG is the control group; X is the treatment; O is the observable results. To conclude that the treatment had an effect, the experimenter had to calculate the difference between the difference between the groups and that within the groups, that is,  $(O_2 - O_1) - (O_4 - O_3)$ . Pre-testing was included in the true experimental design in order to conclude that the effect was caused by the treatment, not by the subjects' internal factors. But randomisation held that all subjects in both experiment and control groups had same characters (Babbie, 1995). Therefore,  $O_1$  and  $O_3$  were regarded as equal and yielded the new calculation of the treatment's effect as  $O_2 - O_4$ . It meant that the completely randomised design did not need pre-testing. Moreover, the control group was not necessary either. It was included in the true experimental design in order to conclude that the effect was caused by the treatment alone, not by other external factors. But randomisation had already eliminated the external factors. Another benefit of randomisation was that the experimenter could use many independent variables simultaneously or one variable with different levels (Aaker et al., 1995; Davis, 1997). The completely randomised design would then look like this:



$$\text{EG}_1: X_1 \longrightarrow O_2$$

$$\text{EG}_2: X_2 \longrightarrow O_4$$

To use ANOVA for data analysis, the experimenter compared the difference between the variation between the groups and that within the groups. The variation between the groups was the difference between the averages of individual groups ( $\overline{O}_2$  and  $\overline{O}_4$ ) and the overall average ( $\overline{\overline{O}}$ ). The variation between the groups occurred when the experimenter gave the different treatments to all groups. Thus, if  $\overline{O}_2$  and  $\overline{O}_4$  were much deviated from  $\overline{\overline{O}}$ , it meant that the treatments had some effects. The variation within the groups was the difference between the values of individual groups ( $O_2$  and  $O_4$ ) and their averages ( $\overline{O}_2$  and  $\overline{O}_4$ ). The variation within the groups occurred when the experimenter gave the same treatment to each group. Thus, if  $O_2$  and  $O_4$  were little deviated from  $\overline{O}_2$  and  $\overline{O}_4$ , it meant that the treatments had some effects. And finally, if the variation between the groups was more than that within the groups, the experimenter would conclude that the treatments definitely had the effects.

Banks' statistical designs worked well in the US. But in the UK, there were a few specific problems with Area Tests. First, there were many cities and towns to be chosen as sample market areas in the US. In 1965, there were at least 200 market areas to be selected randomly (Banks, 1965). Randomisation worked effectively under the condition that a large number of samples were available (Babbie, 1995). A large number of market areas meant that American practitioners could apply randomisation into their experiments. In the UK, there were too few cities and towns to use randomisation. British practitioners used the sampling method of matching instead. Matching involved selecting some characteristics as the criteria to match the experiment and control groups (Babbie, 1995).

But it was difficult to find two areas that had similar characteristics such as consumers' demographics, retailers' and competitors' activities and regional product availability. Second, there were larger variations between and within market areas in the UK than in the US. The fact that American market areas located separately helped the experimenter control some external factors that might have affected the experiment. Closed areas helped the practitioners easily control television transmission or newspaper distributions that in turn meant the easier measurement of advertising weight or copy changes. But in the UK, areas could not easily be separated from each other. Contamination between areas occurred easily. Third, like the fourth disadvantage of modelling, experimentation did not work if clients continuously spent their advertising money. During the 1970s, clients who had large advertising budgets were mostly FMCG companies. Agency people called them 'established brands'. Managers of these brands had a goal to invest in advertising in the long term and always received a large advertising budget every year. But when they put the advertising budget which was transformed into what media planners called the advertising weight to test in the experiment, it was difficult to find any difference in short-term sales. Adding more advertising money yielded little increase in sales over a short period. Advertising copy changes were also difficult to detect. Moreover, some important external factors were sometimes neglected and not added into the experiment (Broadbent, 1975, 1988, 1989, 1997; Segnit and Broadbent, 1970; Downham, 1973; Bloom and Twyman, 1978).

Due to the geographical limitations of the UK and the application of matching instead of randomisation, it meant that ANOVA was not the appropriate statistical measure for data analysis. And that was the reason why Broadbent had to apply multiple regressions or econometric modelling into the market experiments called AMTES. In fact, American practitioners also used multiple regressions but for a different purpose.

According to Banks (1965), multiple regressions were not necessary to his experimental designs because randomisation decreased the variation shown by multiple regressions. Such variation was the difference between pre-testing of the experiment and control groups ( $O_1 - O_3$ ) as described earlier. But American practitioners used multiple regressions to assess the importance level of possible marketing variables. Multiple regressions filtered less influential factors to sales and helped the experimenter choose a few main factors before putting them as treatments into the experiment. In this sense, multiple regressions were used as a preliminary analysis before conducting the experiment. Although Jones (1998) stated that the application of econometrics in market experiments was not familiar in the US for unknown reasons, it seemed that at least the combination of modelling and experimentation did exist in the US, particularly at Leo Burnett. Simon Broadbent was the person who imported it and suggested to Derek Bloom and Michael Stewart of Beecham to establish AMTES. As he stated, “the existence of UK’s AMTES ... is largely unknown [in the US] – except in Burnett, since I imported it (with thanks to Michael Stewart)” (Broadbent, 1988: 3). AMTES was closely related to the Awards. Agency people who bonded themselves closely to the Awards had had working experience in Beecham during the time of AMTES operation in the 1970s. Tim Broadbent, before starting his career at BMP, had been a researcher at Beecham. There, he met Nick Phillips who was the head of marketing services. Phillips was one of the Awards’ judges during 1982 – 1986 when he was the marketing services director of Beecham and then became the sales director of Granada Television. In the 1992 and 1994 Awards competition, Phillips was the director general of the IPA and one of the VAC members who organised the Awards. The relationship between these people could be best described by Tim Broadbent himself (interview 4 July 2005):

“I got a job at BMP. And I had been a researcher for two years before that in a firm called Beecham. ... Nick Phillips was, in fact, the head of the marketing services department there before moving to the IPA and his predecessor was Derek Bloom. And they were both very interested in advertising effectiveness. Beecham was a huge advertiser in those days. And they set up a system called AMTES with Michael Stewart.”

AMTES, developed by Beecham, one of the large FMCG companies, was so successful that Beecham was commissioned by non-competitors to conduct AMTES in the late of the 1970s (Stewart, 1980). It was the Area Tests whose data were analysed by the method of econometrics or multiple regressions instead of ANOVA to measure the sales effects of advertising. Because of the limited number of market areas and inability to isolate them exclusively, British practitioners could not use randomisation. When randomisation was unable to be applied, pre-testing and the control group were necessary to detect the internal and external factors that influenced the causal relationship. For AMTES, the control group was usually the rest of the country. Advertisers who wanted to conduct AMTES had to bring to Beecham up to nine independent variables that might have had effects on sales in at least 20 periods before the experiment. The independent variables might have been advertising weights (i.e. advertising budgets) and advertising copy as well as other variables such as price, distribution, sales promotion, competitors' advertising and weather temperature. The advertisers could obtain these data from their research companies such as Nielsen or Stats MR or departments within their organisations such as ex-factory sales. The independent variables and sales must have been categorised into those of the experiment group and those of the control group. I shall use Campbell and Stanley's true experiment design again to explain this:

EG:  $O_1 \longrightarrow X \longrightarrow O_2$

CG:  $O_3 \longrightarrow O_4$

And AMTES would look like this:

EG:  $X_1 \longrightarrow O_1 \longrightarrow X_2 \longrightarrow O_2$

CG:  $X_3 \longrightarrow O_3 \longrightarrow X_4 \longrightarrow O_4$

where the subscription 1 and 3 meant pre-testing and 2 and 4 meant post-testing.

The AMTES experimenter compared the data in the experiment and control groups in terms of ratios and yielded the following results:  $\frac{X_1}{X_3}$ ,  $\frac{O_1}{O_3}$ ,  $\frac{X_2}{X_4}$  and  $\frac{O_2}{O_4}$ . Then,

the experimenter put  $\frac{X_1}{X_3}$  and  $\frac{O_1}{O_3}$  into the regression analysis in order to obtain an

equation to be the data representative. When the experiment started and was proceeded

for a period, the experimenter put the actual independent ratios ( $\frac{X_2}{X_4}$ ) into the equation in

order to obtain the estimated sales ratio ( $\frac{\hat{O}_2}{\hat{O}_4}$ ) and compared the estimated sales ratio

( $\frac{\hat{O}_2}{\hat{O}_4}$ ) with the actual sales ratio ( $\frac{O_2}{O_4}$ ). If they were different and there was no other

variable to be explained for the difference, it was concluded that the treatment  $X_2$  had the effects (Stewart, 1980; Bloom and Twyman, 1978).

AMTES that used multiple regressions differed from American experiments that used ANOVA for two reasons. First, ANOVA compared the difference within the groups and then compared that between the experiment and control groups while multiple

regressions compared that between the groups and then compared that within them. From Campbell and Stanley's design, to know whether the treatment had an effect was to calculate the result of  $(O_2 - O_1) - (O_4 - O_3)$ . ANOVA calculated the difference in this way. But because of randomisation which made  $O_1$  was equal to  $O_3$ , ANOVA calculated only  $O_2 - O_4$  as described earlier. Multiple regressions, on the other hand, calculated  $(O_2 - O_1) - (O_4 - O_3)$  from a different angle and yielded the result of  $(O_2 - O_4) - (O_1 - O_3)$ .  $O_2 - O_4$  and  $O_1 - O_3$  were the differences between the experiment and control groups.

AMTES showed them in terms of ratios, that is,  $\frac{O_2}{O_4}$  and  $\frac{O_1}{O_3}$ . Because the calculation of

$\frac{\hat{O}_2}{\hat{O}_4}$  was based on the relationship between  $\frac{X_1}{X_3}$  and  $\frac{O_1}{O_3}$ ,  $\frac{\hat{O}_2}{\hat{O}_4}$  represented  $\frac{O_1}{O_3}$ .

Comparing the difference between  $\frac{\hat{O}_2}{\hat{O}_4}$  and  $\frac{O_2}{O_4}$  was comparing that between  $\frac{O_1}{O_3}$  and

$\frac{O_2}{O_4}$  which was the comparison within the groups.

Second, ANOVA used means ( $\bar{O}$  and  $\bar{\bar{O}}$ ) as the data representatives while multiple regressions used an equation instead. The data representative indicated the state that the treatment had no effect. The difference between the data value and their representative meant that the effects were caused by the treatment. While ANOVA calculated the variation between the values and the means, multiple regressions calculated that between the values and the equation. This was a trick of AMTES. Multiple regressions, in general, were not used for proving the treatment's effect by comparing the difference. In fact, as described earlier in the section of econometric modelling, they were used not only for indicating the strength of correlation between independent variables and the dependent variable but, more specifically, for prediction as well. After plotting the values of both independent and dependent variables on a scattered diagram, the

econometrician found out the straight line that had the shortest distance between the values and itself. The line was explained in terms of an estimated equation which slightly differed from the true equation of all values. The true equation could be written as:

$$Y = a + b_1X_1 + b_2X_2 + \dots + b_iX_i + \varepsilon \quad \text{—————} \quad 1$$

while the estimated equation could be written as:

$$\hat{Y} = a + b_1X_1 + b_2X_2 + \dots + b_iX_i \quad \text{—————} \quad 2$$

An example of the second equation has been presented in the section of econometric modelling where  $\hat{Y}$  is sales and  $X_1, X_2, \dots, X_i$  are independent variables including advertising. The letters 'a' and  $b_1, b_2, \dots, b_i$  were weights. The more precisely the weights were calculated, the more precisely the second equation could predict the first equation. And it was shown in terms of the correlation coefficient ( $R^2$ ) which indicated the strength of the correlation and ability of prediction. On the other hand, the error ( $\varepsilon$ ) would be reduced as much as possible as it indicated that there might have been some unexplained independent variables that had not yet been added into the estimated equation.

Beecham used multiple regressions for two purposes. First, the researcher had to find the independent variables that might have affected sales before starting the experiment. The more independent variables the researcher could find, the better the estimated equation that could be produced. Broadbent (1997) suggested that the researcher should have checked the variation of sales ratios ( $\frac{O_1}{O_3}$ ). If the ratios were equal

to one, it meant that there was no difference between the experiment and control groups. And it meant that the researcher added sufficient independent variables into the estimated equation. The less variation of sales ratios, the more confident the researcher was to attribute the effects to the obvious independent variables. Therefore, the researcher and his/her client should have collected as many explained independent variables as possible. However, in reality, the pre-testing sales ratios could be incredibly varied (Broadbent, 1997). The second purpose of using multiple regressions in AMTES was unusual, that is, to prove the treatment's effects. Supposing that after the researcher obtained the best estimated equation or straight line, he/she used it as the data representative. Then, the researcher deliberately changed one independent variable such as advertising copy to see its effects on sales. If sales ratios deviated from the straight line, it meant that the copy change had the effects. It seemed that AMTES tried to increase the error ( $\varepsilon$ ) to see the difference. Deducting the first equation from the second one resulted in the fact that the error was the difference between the actual value and the estimated one ( $\varepsilon = Y - \hat{Y}$ ). In AMTES,  $Y - \hat{Y}$  was the difference between  $\frac{O_2}{O_4}$  and  $\frac{\hat{O}_2}{\hat{O}_4}$ . In this sense, after the researcher decreased the variation of the error, he/she had to increase it in order to see the effects. The problem was how the researcher knew that he/she had produced the best estimated equation. Since in reality not all factors could be added into the equation, there must have been some unknown factors that the researcher omitted. The function of multiple regressions was to reduce the error as much as possible. It was unusual to assume that the best equation was produced and then make a difference to see the effects. The effects might have been caused by some other factors, not by the treatments. According to Bloom and Twyman (1978: 81), "if there [was] a difference ... it [was] concluded that sales [had been] affected differently ... by some factor not operating in the



pre-test period. Unless there [was] a more plausible explanation for this difference, it [was] attributed to the area test itself.” But if clients, after submitting up to nine independent variables including advertising to Beecham, found that there was a tenth variable that could explain sales, it meant that AMTES failed to explain that advertising change caused sales.

Although Simon Broadbent did not mention the defect of AMTES explicitly, it could be implied that he might have seen it before the Awards started. In 1975, he suggested that modelling should have been used with experiments (Broadbent, 1975). But after 1980, he saw modelling as a separate method from experiments (Broadbent, 1988, 1989, 1997). As a scientist who had a background in statistics and physics, Simon Broadbent still recommended to his readers experiments, the best scientific method of proving the causal relationship, to evaluate the sales effects of advertising. But as a statistician, using multiple regressions to analyse data in AMTES was not right. That was why he separated modelling from experiments. His view also appeared in the first competition of the Awards when he analysed the evaluation methods used in the entries. He categorised sales measurements into six groups: Area Tests such as AMTES, statistical analysis such as multiple regressions, non-statistical analysis, direct response, consumer measures and other effects (Broadbent, 1981).

It seemed that the AMTES team which consisted of Simon Broadbent, Tim, his son, Nick Phillips, Derek Bloom and Michael Stewart tried their best to solve the British specific problems of applying experiments. As described earlier, the problems included the limited number of market areas, the contamination and large variation between and within the areas and the difficulty to prove the short-term sales effects of advertising if clients spent advertising money continuously and sometimes forgot to add some important independent variables. Multiple regressions were a good method to detect the

ignored independent variables before the experiment but were not a good method for data analysis. ANOVA, the method used in the US, could not be applied in the UK due to its basic assumption based on randomisation. This might have been one of the reasons why Broadbent and his son plus Nick Phillips split themselves from AMTES and tried to find a better method of proving the causal relationship between advertising and sales. Derek Bloom and Michael Stewart remained at Beecham and operated AMTES as experiments corresponded with the marketing concept in client companies.

Another reason for the split-up was confidentiality in client companies. Beecham was one of very few companies that allowed other non-competitors to know their evaluation system. Nick Phillips (interview 29 June 2005) depicted clients' behaviours in the late of the 1970s and the early of the 1980s. "In those days, the leading marketing companies tended to be the leading packaged goods companies ... dealing with rapid repeat purchase buying packaged goods every week," he recalled. "And all of them had their own private system." Those companies included Unilever, Procter & Gamble, Colgate Palmolive and Beecham. But they "tend[ed] to be very conservative and secretive when it [came] to data." The reason was that they were afraid that their competitors would get to know their business strategy. For example, a managing director of Kellogg's knew that the company was a market leader. If Wheatabix, a competitor, knew Kellogg's strategy, Wheatabix would imitate it in order to be as successful as Kellogg's.

The third reason was about the nature of advertising agencies. Two main products of full-service agencies during the 1970s – 1980s were media and creative strategies which were then added into advertising strategy. These reflected the contrast combination of the agency business; that is, media planning was scientifically-oriented while the message or creativity was artistically-oriented. Experimentation, either laboratory or field, did not seem to fit with creativity. Although American agencies did not bother to use

either kind of experiments to prove creativity effectiveness, British agency people had a different view. And they had to find a way to prove that creativity could cause sales. Simon Broadbent kept econometric modelling for the Awards for at least two reasons. Econometric modelling reflected the work of media planning. And second, it was a scientific method for isolating independent variables from each other and analysing the correlation before proving the causal relationship between advertising strategy and sales. In this sense, he used modelling as a preliminary analysis in the same way as did Seymour Banks in the US. The difference was the method of proving the causal relationship. American practitioners used experimentation while British practitioners chose to adopt the opposite approach: qualitative research.

## **Chapter 6**

### **Communication Effects of Advertising**

The studies on the message part of advertising is called the communication effects of advertising. Most concepts of the communication effects rely heavily on consumer behaviour research or in fact the buyer behaviour school of marketing. It is a modern discipline that borrows knowledge from other social sciences. Parent disciplines of consumer behaviour consist of economics, psychology, sociology, anthropology, philosophy and the humanities. However, the problem of consumer behaviour discipline is that it could not blend all parent disciplines together well. The separation between parent disciplines makes consumer behaviour become multi-disciplinary rather than inter-disciplinary. It is true that the parent disciplines have some shared areas, for example, social psychology that is the overlapping area between sociology and psychology. But in other areas such as economics and psychology, there is no clear link between them. Some examples are found in consumer behaviour diagrams in which borrowed parts of other disciplines are displayed in isolation. In this sense, consumer behaviour is seen as parasitical on other disciplines. And the consequence is that it cannot build a strong general theory of its own. What it has is middle-range theory (Fine and Leopold, 1993). Although the consumer behaviour discipline has only the middle-range theory, it plays a significant role in developing the communication effect theories of advertising. Previously, the brief descriptions of some social sciences has been presented as the background of the theories of communication effects. The general perspectives of economics and sociology have been described in Chapter 3. Some research methods used in economics and psychology have been described in the preceding chapter. In this chapter, two main groups of theories about the communication effects of advertising will

be presented. The first group is the hierarchy-of-effects models. They are widely used in the US. But British agency people have done some research that shows the contradictory results to the hierarchy-of-effects models. Instead, they suggest the low-involvement theories based on their research findings. That is the beginning of the British agencies' antagonism towards the American theories of communication effects. It leads to their hostility towards the American research practice based on the positivist concept of marketing management. The British agency people disagree with a research companies' service called copy testing. Their frustration urges them to find a new way of proving advertising effectiveness. It is the qualitative approaches of psychology and sociology.

### **Hierarchy-of-Effects Models**

Behaviourism and cognitive psychology are the approaches. Approaches are not areas of study. When psychologists choose the topic or content of research, they often use more than one approach to solve the research problem. One of the psychological areas of study is social psychology that uses behaviourism and cognitive psychology. And social psychologists are people who make contributions to mass communications in the US such as McGuire's tri-component attitude model, Bandura's social learning theory, Heider's balance theory, Festinger's cognitive dissonance theory. Some marketing and advertising people such as Moran (1973), Naple (1979) and Lannon and Cooper (1983) claim that behaviourism has a great impact on advertising due to Watson's contribution. In fact, it is the cognitive psychology that makes true contributions to advertising. A plausible reason of such claim is the fact that social learning theory can be regarded as a branch of behaviourism and extends the scope of Watson's traditional behaviourism by including intermediate variables of the mental process studied by cognitive psychologists into

explanations (Malim and Birch, 2005). Therefore, when marketing and advertising people cite 'learning theory', they mean social learning theory and other branches in social psychology rather than classical learning theory or behaviourism. When advertising is studied in terms of communication, social psychological theories are also applied to explain advertising consumer behaviour. It is apparent in the history of hierarchy-of-effects models.

Hierarchy-of-effects models are a long-standing concept of advertising effectiveness, particularly in the US. According to Barry (1987), the hierarchy-of-effects models had their roots in personal selling and then were adopted by advertising practitioners. One of the early American practitioners that tied advertising with psychology was Claude Hopkins (1998). In 1923, he wrote *Scientific Advertising* in which he stated that advertising was salesmanship. Salesmen who knew customer psychology were more likely to be successful. Likewise, successful advertising should be familiar with consumer psychology. Hopkins' work had long influenced the American concept of advertising effectiveness that heavily relied on psychology.

The early concept of hierarchy-of-effects began in 1898 by St. Elmo Lewis. A few years later, he developed his model called AIDA and it became one of the most referred to (e.g. Aaker et al., 1992). It consisted of attention, interest, desire and action. His work was developed by Sheldon in 1911. Lewis's and Sheldon's idea influenced advertising and selling for the first two decades of the twentieth century. In 1923, Daniel Starch suggested that effective advertising must have been seen, read, believed, remembered and acted upon. His variables became a standard for measuring magazine advertising effectiveness for years. Meanwhile, Adams proposed the mental laws of advertising. He stated that attention was the basic measure that related to past experience or heredity responses. The link could be tested by the laws of recall (Barry, 1987).

The modern era of hierarchy-of-effects concept began in 1961 by Lavidge and Steiner. In their view, immediate or short-term sales were not an appropriate measure of advertising effectiveness. Advertising was a long-term investment and its effects should have been measured in the long term. Consumers could not jump from advertisement disinterest to convinced purchase but rather pass through a series of stages that was regarded as the threshold of purchase. The series of steps included awareness, knowledge, liking, preference, conviction and purchase. After they were aware of the product, they sought information about it (knowledge). Then, they developed a liking towards it while preference had the deeper meaning that they liked one brand more than others. Conviction meant that they had enough confidence to buy it and it led to the actual purchase (Barry, 1987; Aaker et al., 1992; Schultz and Barnes, 1995). It seemed that Lavidge and Steiner extended AIDA by adding more intervening variables between stimulus and responses as they might have considered that AIDA variables were not enough to explain the mental process. Moreover, it could be said that Lavidge's and Steiner's concept was the beginning of the departure of communication effects from sales effects in American practice. Such separation was not appreciated by British practitioners, particularly the Awards' early contributors. As mentioned at the beginning of the chapter, Simon Broadbent set up the Awards in order to prove that advertising caused sales. His view was similar to the American in that advertising should have been the long-term investment. The difference was that the American agency people tried to divert clients' attention from measuring sales effects, the appropriate measure, to focus on such indirect measures as communication effects. For Broadbent and others, it was not the right way to tackle the problem because sales effects were what clients wanted.

The year 1961 saw American practitioners agree in measuring communication effects. Russell Colley was another example. He was sponsored by the Association of

National Advertisers to write a book entitled *Defining Advertising Goals for Measured Advertising Results (DAGMAR)*. Lavidge's and Steiner's model was formalised to measure advertising goals. Colley stated that advertising was a communication force. Communication objectives were more easily measurable than sales results. Advertising's purpose was to move consumers' states of mind from one step to another until it led to their intention to buy. These steps consisted of unawareness, awareness, comprehension, conviction and action (Barry, 1987; Aaker et al., 1992; Dunn et al., 1990). Colley's awareness was the same as Lavidge's and Steiner's awareness. Colley's comprehension was Lavidge's and Steiner's knowledge. Colley's conviction combined Lavidge's and Steiner's liking, preference and conviction together. The difference was the final stage. While Lavidge and Steiner believed that their steps of mental process led to actual purchase, Colley reduced the robustness of measure from actual purchase to action. Action, according to Colley, meant any consumers' action that indicated their intention to buy in the future, for example, visiting retail outlets, asking for more information about the brand, allowing salesmen to introduce the product or trying free product samples (Aaker et al., 1992; Dunn et al., 1990). It seemed that the more the American advertising people developed the psychological process within consumers' minds, the more remote advertising effectiveness measures became from sales. DAGMAR was popular in the American advertising industry during the 1960s because advertising managers of client companies were not satisfied with research findings of the short-term sales effects by using econometrics (Aaker et al., 1992). But the DAGMAR concept did not satisfy Simon Broadbent. As he stated:

“The low point was in 1961 with the publication of DAGMAR: Defining Advertising Goals for Measured Advertising Results. Rather than encouraging agreement to defining goals as a first step, and measuring appropriate results as a second, DAGMAR led people to find out first what could



be measured easily and then to set it as a goal. Communication became advertising's objective. DAGMAR was an apparent success (translated into nine languages, and in its ninth printing in 1986) because it let advertising off the hook. The intermediate goal was no longer directly related to financial contribution.”

(Broadbent, 1989: 9)

Broadbent was not the only British agency person who objected to DAGMAR. Stanley Pollitt of BMP stated that the American Association of National Advertisers invested millions of dollars to produce DAGMAR in order to isolate communication effects from sales effects (Pollitt, 1969). Feldwick (2000) added that Colley had a background in management consulting and thus was not an advertising expert. In fact, the American Association of National Advertisers asked Colley to find out the answer to the cost-effectiveness of advertising. Colley did not have it in his book but rather focused on communication effects or intermediate measures without mentioning the link between advertising and sales. Broadbent's and Pollitt's opinions were supported by JWT people such as Timothy Joyce (1967) and Stephen King (1967).

Another low point in 1961 was Rosser Reeves' theory of the Unique Selling Proposition (USP). Reeves was not a researcher who developed a hierarchy-of-effects model. He was a copywriter at Ted Bates in New York and gained a reputation from his theory which was supported by scientific research. In his book *Reality in Advertising*, he described a common fallacy that advertisers always blamed advertising when sales did not increase. It was a mistake because advertising was one of the marketing factors that help increase sales. Therefore, sales were not an appropriate measure for advertising. A more appropriate measure was recall i.e. the number of people who remembered the advertisement. Reeves had a basic assumption that people would not become a product's

customers if they did not see the advertisement. It meant that he believed that recall automatically caused sales without the measurement of sales directly. His belief was supported by Ted Bates' research findings that came from surveys across the country and various brands. The total number of people was divided into those who remembered and did not remember the advertisement, which was called advertising penetration. And each group was divided into the number of people who used and did not use the brand, which was called usage pull. The categorisation yielded four groups: people who remembered the advertisement and used the brand (Group A); those who remembered the advertisement but did not use the brand (Group B); those who did not remember the advertisement but used the brand (Group C); and those who did not remember the advertisement and did not use the brand (Group D). The difference between Group A and C indicated the power of advertising to persuade people to buy the brand. For example, if Group C showed 5% and Group A showed 25%, it meant that advertising could pull people to use the product (Reeves, 1961). A weakness of Reeves' findings was that he assumed that advertising recall caused buying. The direction might have been reverse; that is, buying could cause recall. As Charles Channon, the Awards convenor of judges in 1984 and 1986, stated in *Advertising Works 3*, "advertising recall and claimed exposure were in principle just as likely to be the *result* of usage as they were to be the *cause* of it" (Channon, 1985: 5). Channon called it Reeves' fallacy.

The modern age of hierarchy-of-effects models saw the contribution of mass communication researchers, most of whom had some background in social psychology or sociology. In 1962, Rogers' theory of diffusion of innovation was applied to the world of advertising effectiveness measurement. The process started from awareness, interest, evaluation, trial and adoption. At the same time, Mendelsohn suggested that classical learning theory like behaviourism did not help researchers understand the communication

process. The effects of communication came from not only learning but also emotion. In 1969, McGuire proposed the concept of information processing that saw consumers as information processors. His concept was introduced in the previous chapter. McGuire emphasised the probability of occurrence of hierarchical steps that conditionally depended on the earlier ones (Barry, 1987; Aaker et al., 1992). When more models were developed, there was an idea to categorise variables into three groups: cognition, affect and conation. The categorisation came from attitude studies in social psychology. Cognition meant rational thinking or learning; affect meant emotional feeling; and conation meant behaviour. Some popular models of hierarchy-of-effects can be summarised as follows:

Table 6.1

	AIDA	Lavidge & Steiner	DAGMAR	Innovation Diffusion
Cognition	Attention	Awareness Comprehension	Awareness Comprehension	Awareness
Affect	Interest Desire	Liking Preference Conviction	Conviction	Interest Evaluation
Conation	Action	Purchase	Action	Trial Adoption

Source: Adapted from Kotler (1988)

British advertising practitioners loathed the hierarchy-of-effects models, particularly two agencies that were the birthplace of account planning: BMP and JWT. At BMP, there were Stanley Pollitt, Paul Feldwick and Tim Broadbent. At JWT, there were Timothy Joyce, Stephen King, Colin McDonald, Roderick White and Judie Lannon. Outside BMP and JWT, there were Simon Broadbent and Charles Channon. They called the hierarchy-of-effects models 'the linear sequential or step-by-step models' (Broadbent, 1975; King, 1982; Lannon and Cooper, 1983). They picked some of the models to criticise such as AIDA, Starch and DAGMAR. Starch's model was not cited much in American textbooks in terms of its theoretical contribution. But the British chose it because Daniel Starch applied his theory to his research company that became well-known in magazine readership measurement. He used the term 'recognition' instead of 'recall' that was used in television viewership measurement (Starch and Purvis, 1963; Wells et al., 1989). In this sense, Starch's theory was attacked by British agency people in the same way as Reeves' emphasis on recall. It should be noted that Lavidge and Steiner's model was not attacked. It was because Lavidge and Steiner allowed an exception that consumers did not need to follow the suggested steps and sometimes some of these steps might have occurred simultaneously (Barry, 1987). It reflected British agency people's opinion that they would not have minded as much about the measures (except recall) as being linear. What they rejected was the American conceptual process that tried to explain things in a uni-dimensional direction. Such a process was based on rational scientific thinking that appeared in economics. And it seemed to fit well with the marketing concept whose root was in economics. Marketing people in client companies, admitted by Newman (1965), a marketing professor of Harvard University, were trained to believe that their culture was logic and reasoning. Like the marketing people, American agency people treated their business as a marketing tool as stated in *Printers' Ink*, an

American advertising trade journal, that “by 1910, agencies and advertisers were already talking about ‘marketing’ and about integrating advertising with other marketing functions” (Joyce (W.), 1963: 22). American agency people had to apply scientific measures and methods into their work. Although psychologists used either quantitative or qualitative method or both in their work, American agency people seemed to prefer the fields that used the quantitative scientific approach such as behaviourism and cognitive psychology because the nature of mass communication in the US did not inhibit such scientific thinking. Lannon and Cooper (1983) raised Professor Carey’s study in 1975 about differences between American and European concepts of mass communication and how they affected ways of intellectual thinking. In the US, communication studies were based on the concept of message transmission or transportation. Communicators sent their messages over a long distance in order to control people and expand their power. Advertising was one of the communication means with the purpose of propaganda. But European countries had a different view. Communication was the process of shared culture that was created by people and could be expressed in terms of myth and rituals. Communication researchers used qualitative approaches such as phenomenology and semiotics.

Although he tried to adapt scientific methods to advertising effectiveness measurement as seen in the previous chapter, Simon Broadbent had to admit that sometimes science did not give all the answers. He saw the linear sequential models as “too simple and mechanistic” (Broadbent, 1975: 35). Although he had some background in economics, he did not encourage readers to believe in these models. Consumers, in his view, did not maximise utility as most economists thought. Instead, he supported his peers such as Timothy Joyce and Stephen King when they argued against the American concept with their research findings. Joyce (1967) and Channon (1968) argued that the

American linear models were in fact tautological. They were based on common sense, not empirical evidence. Their ideas were supported by King (1967) that the linear models were not based on research findings but rather a priori arguments. The American linear models indicated that advertising function was to implant some facts into people's empty heads – “a tabula rasa on which messages [were] printed” (Lannon and Cooper, 1983: 197). Such a function seemed to be appreciated by clients. As Joyce (1967: 215) stated:

“It [was] as if the advertiser wanted the consumer to reply ‘yes, I understand what you are telling me about your product and why I should buy it, and you have convinced me – I intend to do so.’”

In British agency people's view, this was the concept of ‘advertising does something to people’ that saw consumers as a passive audience. British clients who adopted the American marketing concept might have preferred it. But agencies whose nature of the business was based on the European communication approach should not have had such thinking. A better perspective on consumers would have been ‘people use advertising’ that treated consumers as active recipients. Joyce was not the only person who was opposed to American hierarchy-of-effects models but also other people in JWT and BMP. White (2000: 45) called them “a museum piece” because they did not reflect the reality in the marketplace. Whatever happened in consumers' heads was not in order like this. King (1967) called them conversion models because they had a basic assumption that advertisers could transform consumers from non-users to users. Advertising's function was to inform unaware consumers with loads of messages through step-by-step process and finally change them into buyers. Pollitt (1969) agreed with King. He stated that Starch and DAGMAR were examples of conversion theories that moved people up to the ladder from non-users to users. Advertising process was not simple like that but rather showed the complex relationship between attitudes and behaviour. In

addition to AIDA, Starch and DAGMAR, King took Rosser Reeves as an example of conversion models that indicated ‘advertising does something to people’. As he stated:

“The USP, as interpreted by Rosser Reeves’ followers, has all too often been about knocking prepared phrases into people’s brains. What it seems to say is: get the bits right, get this wedge of fact right, and then hit it into people’s heads – and if you fail, hit it harder, hit it more often, or get a bigger hammer. Now this all seems a lovely, safe, careful logical approach, but it fails because it is treating the receiver’s mind as an inert, passive receptacle. ... The consumer’s mind is simply not a passive receptacle into which one can hit prepared phrases.”

(King, 1982: 53)

Again, Pollitt (1969) agreed with him. He added that Reeves’ recall concept and penetration theory restrained the creative process. Reeves’ Unique Selling Proposition (USP) was regarded as one of the legendary creative strategies. According to Reeves, advertisers should have found a single product benefit among others and developed it into the distinctive selling point. Once found, the USP would last in consumers’ mind for years and advertisers could reap benefits from it (Reeves, 1961). As mentioned earlier in the section on the history of account planning, King had a negative experience of applying scientific American concept into British practice. Stephen Resor of JWT New York used T-Square which was based on marketing scientific thinking to plan advertising. But Stephen King of JWT London had to change it into T-Plan as T-Square could not help creative people develop creative strategy. It was a fracture between American and British advertising practice. American practitioners had both rational and emotional creative strategies. Reeves was one of the rational strategists who used the ‘reason-why’ or ‘hard-sell’ approach. The other approach was ‘emotional appeal’ or ‘soft-sell’ such as Ogilvy’s Brand Image and Bernbach’s Execution. It seemed that American practitioners

separated creativity from research. Advertising agencies might have used either rational or emotional creative strategies. But when it came to research, it must have been more rational than emotional or more scientific than artistic. American advertising agencies might have concentrated on their creative excellence and left the negotiation between creativity and research to account executives. But British agencies had account planners to plug this gap by arguing theoretically, not diplomatically as did account executives. British account planners chose William Bernbach and his soft-sell approach as a leader.

### **Low-Involvement Theories**

The hierarchy-of-effects models were first challenged in 1965 by Herbert Krugman who did laboratory experiments as discussed in the previous chapter. Krugman observed that the hierarchy-of-effects models did not work in television advertising. Consumers had little time to read product information on television as they could not slow down or stop advertisements. Print advertising, on the contrary, suited rational messages as people could stop at any page to read the advertisement or repeat it if they wanted. Therefore, the hierarchy-of-effects models should have been better applied to print advertising than television advertising. According to Krugman, as television did not allow advertisers to tell more about their product information, television advertising would have worked best in a different way. Many repeated exposures induced the frame of reference and brand reliability in consumers' mind. Then, they decided to buy the product. Their attitudes towards the product would change positively after the product trial. Advertising objective was not to build brand awareness as suggested by the hierarchy-of-effects models but to remind consumers about the brand they had bought (Aaker et al., 1992; Dunn et al., 1990). Krugman's idea was developed later by Ray and



others in 1973 (Barry, 1987). They called this situation low-involvement as opposed to high-involvement in the traditional hierarchy-of-effects models. Involvement meant risks or interests that consumers considered related to the brand. It influenced consumers' information searching and decision making (Aaker et al., 1992; Vakratsas and Ambler, 1999). In the high-involvement situation, the steps started from cognition (learn), affect (feel) and conation (do). But in the low-involvement situation, the steps started from cognition (learn), conation (do) and affect (feel). Cognition in the low-involvement situation referred to awareness rather than message comprehension as in the high-involvement situation (Aaker et al., 1992; Dunn et al., 1990).

After Krugman's low-involvement theory, different models challenging the traditional hierarchy-of-effects models were proposed. Dissonance-Attribution theory suggested that the process in consumers' mind started from doing, feeling and learning. It was based on Festinger's cognitive dissonance theory in mass communication studies. Consumers might have been dissatisfied with the product they had bought, particularly in the case of a very important product. Then, they sought information about it to confirm that they had made the right decision. Therefore, they selected only information that supported their decision and discarded information that was inconsistent with it. Advertising's objective was to reassure consumers after their purchase. Another challenging model was created by Richard Vaughn of Foote, Cone and Belding (FCB) in 1980. He suggested the four-cell matrix as follows:

Table 6.2

	Reason	Emotion
High Involvement	Learn-Feel-Do e.g. houses, cars, furniture	Feel-Learn-Do e.g. cosmetics, jewelery
Low Involvement	Do-Learn-Feel e.g. household products	Do-Feel-Learn e.g. snacks, soft drinks

All four cells had different orders of steps which were applied to different types of products (Dunn et al., 1990; Barry, 1987). Elaboration Likelihood Model (ELM) was another challenging concept introduced by Petty and Cacioppo in 1981. Consumers formed their attitudes about the brand via two paths: central and peripheral routes. They processed information through the central route. But if they failed, they turned to advertising execution in the peripheral route (Aaker et al., 1992; Vakratsas and Ambler, 1999).

British practitioners also had experience and research evidence about low-involvement situations. From Vaughn's matrix, products in the low-involvement situations were consumer goods. As mentioned earlier that British large advertisers during the 1970s were FMCG companies, it was not surprising that advertising effectiveness theories were based on research in the low-involvement situations. One of the most referred to was research conducted by Andrew Ehrenberg of London's South Bank University. He and his colleagues spent nearly 40 years tracking buying behaviour of consumer goods and published *Repeat Buying* in 1972. After recording buying by using consumer panels, they found that buying behaviour was stable and habitual. Each brand had a chance to be bought as equally as competitive brands. Most buyers preferred to

switch among brands within a product category. However, some buyers who bought a brand frequently would keep buying it. Ehrenberg finally suggested the ATR model which consisted of awareness, trial and reinforcement. Trial meant buying and reinforcement meant attitudes. The ATR model indicated that attitudes changed after buying and using the brand (McDonald and King, 1996; Broadbent, 1975; King, 1967; Pollitt, 1969; Vakratsas and Ambler, 1999; Barry, 1987). In this sense, Ehrenberg's ATR model was similar to Krugman's learn-do-feel model. Ehrenberg's model confirmed the British view about the causal relationship such as Charles Channon's comment on Reeves' fallacy. The cause-effect relationship was not always a straight line as the effect might have been the cause.

Another piece of research evidence came from Advertising Planning Index (API), a syndicated brand image measurement survey conducted by BMRB in the early 1960s. Research findings indicated that brand image, attitudes and perception were not straightforward as conceived in the step-by-step models. Awareness did not affect brand image in the long term. Once the image was formed, it was difficult to change. Moreover, attitudes did not necessarily cause buying but rather might have occurred after or at the same time as buying. Research findings also indicated that people who said that they were likely to buy the brand were less-frequent users. And there was a continuum between light and heavy users. Heavy users had a strong association with brand image. The target group for advertising should therefore be heavy users, not non-users. The conversion model that tried to persuade non-users to become users was quite an expensive exertion. People often switched between brands within a product category. And when they wanted to switch from one brand to another, they did it not because of advertising but sales promotion or word-of-mouth communication. Therefore, advertising's function was not to inform them about the brand or persuade them to buy it but to reassure them of their purchase. In other

words, advertising did not switch people from buying competitive brands to a client's brand as marketing people often thought. Rather, it reminded people to purchase the same brand more frequently or in greater quantities. It could be reinforcement that they had made the right buying decision. Advertising should be used to maintain existing customers, not to acquire new ones (King, 1967; McDonald and King, 1996).

In addition to Ehrenberg's research and API analysis, British agency people raised any other research or theory to support the low-involvement situations or argue against the traditional hierarchy-of-effects models. Joyce (1967) and Pollitt (1969) cited Haskins' research on the relationship between recall and persuasion in 1963. He found that message comprehension and recall were related. But there was no clear relationship between recall and attitudes or between recall and behaviour. Learning factual information through mass media did not work in the same way as in school. Using mass media effectively was to communicate non-factual information with audiences. Other theories in the low-involvement category were also drawn such as Krugman's learn-do-feel model, Festinger's cognitive dissonance theory and the concept of selective perception in mass communication studies (King, 1967; Pollitt, 1969, 1971). It was interesting that British practitioners did not actually disdain American theories. In fact, they chose some of them that supported their claim and practical experience to argue against some of them that inhibited their work.

As BMRB was JWT's subsidiary, it seemed that JWT had leverage against the collaboration between clients and research companies. Large-budget clients such as FMCG companies may have had their own system of measuring advertising effectiveness. But JWT did not want to comply with them easily. In the second chapter, I suggested that advertising in academic literature was miscategorised under marketing. In British practice, agencies like JWT did not subsume themselves under marketing. Advertising was a

unique discipline and should have been treated at the same level as marketing. To create advertising as a separate discipline, they had to argue with clients theoretically. And JWT had Stephen King as a spearhead to make the agencies' voice heard by clients. Stanley Pollitt was another spearhead. Although BMP did not own a research subsidiary like JWT, Pollitt expressed his idea explicitly that he was on the same side as JWT to fight with clients. He acknowledged JWT's API analysis as an excellent piece of research as he stated:

“A group at J Walter Thompson and the British Market Research Bureau in London, for whom Dr. Timothy Joyce and Stephen King have been the most lucid spokesmen, had through their Advertising Planning Index a wealth of data which covered purchasing, attitudinal and advertising recall information over a large number of repeat purchase products. They had observed while there were consistently high positive correlations between purchasing behaviour and favourable attitudes, there was a surprisingly low connection between advertising penetration and favourable attitudes or purchase behaviour.”

(Pollitt, 1969: 17 – 18)

It seemed that JWT's API information was not contained within JWT itself but dissipated to some other agency to create an atmosphere of agencies' strong collaboration against clients and research companies. Pollitt had the same information as did King and thus had a similar idea about the role of advertising. That is, advertising's function was to maintain favourable attitudes among existing users and encourage them to buy the brand more frequently rather than changing non-users to users (Pollitt, 1969). However, Pollitt (1971) found that it was loss for the industry as very few agencies and clients knew API well enough to gain benefits from it. It could be said that at that time two fathers of account planning teamed up to build advertising against marketing. As practitioners, advertising did not mean that in American marketing or advertising textbooks but rather

from their experience and research evidence. It meant that British advertising practitioners built their own advertising theory based on their practice, not on theory built by academics. Meanwhile, their advertising theory also reflected problems of practice. In practice, advertising meant advertising agencies and marketing meant clients. And the way to express their theory was do it via practice: pre-testing and post-testing. The pre-testing will be discussed in the next section and the post-testing is the IPA Awards.

### **Copy Testing**

Although some American academics and practitioners may have disagreed with the traditional hierarchy-of-effects models, it seemed that they disagreed in the aspect of measures, not methods. For example, although Krugman disagreed with the traditional hierarchy-of-effects models and introduced the low-involvement concept, he used laboratory experiments to develop his theory. In 1966, Palda reviewed the traditional hierarchy-of-effects models and suggested to improve experimental designs to prove them (Barry, 1987). As illustrated in the previous part, the Americans proposed alternatives to the traditional hierarchy-of-effects models. But most of them were still hierarchical and the only difference was the order of the steps. One thing in common was that they used scientific methods to prove and develop the models. Thus, there was no dispute between academics and practitioners about the methods used. When they applied their theory of how advertising worked in practice, the methods were still the same. And it could be illustrated in the process of copy testing.

As the Americans regarded advertising as a marketing tool, the way they treated advertising followed the marketing concept. Marketing had its root in economics or more particularly business management. Management people often called their discipline a

science as their main operation was born out of industrial engineering. One thing economists and engineers had in common was the output and the means to deliver it. The desired output was goods and the means was mechanistic such as assembly lines in factories. To make sure that the system kept working, management people used the concept of controlling. Controlling was one of the four functions of management. The first one was planning which involved setting objectives, goals or missions and deciding tasks or actions from alternatives for future performance. The second function was organising which meant assigning the right jobs to the right people. The third one was leading which concerned motivating or influencing employees to do their best to achieve the organisation's goals. And the final function was controlling. It referred to measuring employees' performance and overall activities whether they operated as planned and achieved the objectives. It included correcting any fault that might have happened. Planning and controlling came together. The controlling process consisted of establishing standards, measuring performance, comparing performance with standards and correcting any deviation (Koontz and Weihrich, 1988; Daft, 1991). The concept of controlling appeared in many marketing textbooks such as Pride and Ferrell (1987), Jobber (1998), McDaniel and Darden (1987), Dalrymple and Parsons (1995) and Boyd and Walker (1990). 'Controlling' was one of the chapters in these textbooks. Some marketing people mentioned 'evaluation' such as Kotler (1988), Bradley (1995), Cannon (1992) and Cravens (1991). But 'evaluation' was a headline in the chapter of 'controlling' or described briefly. It was surprising that marketing people rarely used the term 'effectiveness'. Rather, it was advertising textbooks that used this terms such as Dunn et al. (1990), Wells et al. (1989), Vanden Bergh and Katz (1999) and Schultz and Barnes (1995).

The term 'controlling' in marketing was important because it showed that marketing people spent more time on pre-implementing than post-implementing marketing activities. Marketing people concentrated on planning which was the pre-implementing stage and let most of the controlling process be measured by third-party companies, which was known as a marketing audit. When American advertising people devoted themselves to be one of the marketing tools, they had to adopt the concept of controlling into their practice. It resulted in disagreement about whether or not to measure the post-implementing stage. Schultz and Barnes (1995) divided the pre-implementing stage or pre-testing into four steps. First, concept testing was designed for creative people to gain new product ideas or approaches for developing creative strategy. Second, benefit testing was to test the key message content most of which was about the product benefits. Third, rough advertisement testing was used when the creative people finished their advertisement in a rough form such as layout or storyboard. And finally, the finished advertisement testing was done when the production was finished before the advertisement was published or aired. Davis (1997) and Aaker et al. (1992) had the similar division. Davis (1997) pointed out that the first, second and third steps – or what he called communication research – were done by advertising agencies. Most of the methods used were qualitative research such as group discussion or in-depth interview. The fourth step, generally called copy testing, was different because it was measured by research companies. The methods used were quantitative, particularly experiments.

The purpose of copy testing was for advertisers to decide whether or not to actually run the advertisement in the media or which advertisement should have run if there were two favourite alternatives or more. The reason why copy testing was used in the US could be easily understood. With vast and diverse geographical areas, American practitioners saw a huge difference between national and local advertising. Copy testing



was necessary because it helped advertisers ensure that the advertisement was accepted by sampling consumers before running it nationally. But when it was released, there was no need to evaluate it again in the post-implementation stage or post-testing. Moreover, according to Davis (1997), a difference between communication research and copy testing was that the former was diagnostic while the latter was evaluative. Copy testing was to measure and predict advertising effectiveness. In this sense, marketing people did not need to care much about post-testing as they had ‘evaluation’ or ‘controlling’ even before the advertisement was released. They left post-testing to be advertising people’s concern. Although American advertising people included post-testing in their textbooks, they did not describe it clearly. Some of them such as Wells et al. (1989) and Russell and Lane (1996) did not mention it at all. Dunn et al. (1990) and Vanden Bergh and Katz (1999) addressed post-testing but described only the methods used – recall and recognition – which were done by research companies and similar to copy testing. Schultz and Barnes (1995) was the only textbook that described more about post-testing. They divided it into two types. The first one was concurrent evaluation in which tracking studies were included. Tracking studies were conducted while the campaign was running to see continuous changes of consumers’ reaction to it. They helped advertisers to spot any fault that might have occurred and correct it immediately. The second one was traditional post-testing which was conducted after the campaign ended. It should be noticed that Schultz and Barnes used the word ‘traditional’ to post-testing as it was rarely used by practitioners. Tracking studies were more popular because they were done by research companies – organisations with objective opinions in clients’ view. They were also consistent with clients’ concept of controlling as they allowed clients to correct any mistake immediately. As clients preferred tracking studies to traditional post-testing, the post-campaign evaluation became unnecessary.

In addition to the fact that copy testing was done by objective research companies, it attracted clients because of the service itself: research measures and methods. For the research measures, copy testing used communication variables suggested in theories of how advertising worked – whether they were high- or low- involvement. Haley and Baldinger (1991) summarised copy testing measures into six groups: salience or awareness, recall, persuasion, communication or message comprehension, liking and other diagnostics. All of these measures had normative values as standards to evaluate advertising effectiveness. Norms were objective criteria that helped advertisers to decide whether or not they should have run the advertisement publicly. Any advertisement that gained a higher score than the norm would be approved to be published or broadcasted as scheduled. By contrast, any advertisement that gained a lower score would be cancelled or reviewed and then came back to be assessed against the norm. Norms could have been either percentages or scales (e.g. attitude scales) (Davis, 1997). Norms seemed to fit clients' concept of controlling that they must have had standards to measure performance. Research companies used norms to make copy testing syndicated research which meant that they provided the same copy testing service for any advertiser. Syndicated research ensured them that clients hired them continuously and its cost-effectiveness was higher than customised research. For the research methods, research companies used experiments for copy testing. High cost main media such as television and press were worth being tested. For example, in television copy testing, sampling consumers were divided into test and control areas. The research company transmitted the same television programme with different advertisements. Or sampling consumers were given a VCR that contained television programmes and the advertisement and answered questionnaires after viewing the VCR. Both cases looked more like field experiments. Another method was that selected consumers were invited into a theatre to watch television programmes

containing advertisements. It was called theatre tests which looked rather like laboratory experiments. In magazine copy testing, research companies might have used mall-intercept technique that recruited consumers in a shopping mall to read a magazine and answer questions about it and some advertisements in it (Davis, 1997). Some of the research companies that offered copy testing service had long been well-known such as Nielsen, Gallup and Robinson, and Roper Starch Worldwide.

To sum up, clients had copy pre-testing to evaluate advertising effectiveness before the campaign was launched and tracking studies to evaluate advertising effectiveness while the campaign was running. Both services were done by research companies that used similar research measures such as awareness and recall for both before and during the campaign. Those measures had standard norms for any advertisement to prove against them. The research methods were mainly experiments which were quantitative. All of these made clients work closely with research companies as what research companies supplied them was consistent with their scientific principle and practice. Advertising agencies were left behind and their job was only to deal with advertisements. Whether or not American agencies were happy with this situation is beyond the scope of the thesis. What is relevant is the reaction of British agencies to the adoption of American principles and practice into the British scene by clients and research companies. British agencies had strong arguments against the principles and practice of clients and research companies.

### **Problems of Pre-Testing**

The British applied the American concept of advertising research practice to their advertising industry. The British pre-testing stages were similar to the American. First, it

was strategy formulation research which was concerned with understanding the way consumers viewed the brand and how they related themselves with it. The second stage was advertising concept research in which creative ideas were examined whether they were able to communicate to the target consumers. The third stage involved testing rough or finished advertisements and could be regarded as copy testing. The first and second stages were qualitative while the third one was quantitative. The British also had post-testing i.e. tracking studies which were quantitative (White, 2000). As in the US, copy testing and tracking studies were conducted by research companies that had standard norms for both types of research. In the 1960s, the Schwerin Theatre Test was imported from the US and attracted marketing people in client companies. At the same time, API which offered the post-testing service retreated. As mentioned earlier the API research findings indicated that brand image rarely changed in the long term, they made API uninteresting to clients who wanted to see some significant changes caused by large-budget advertising they spent. The API retreat gave an opportunity to Millward Brown in 1973 to introduce a new system of tracking studies. Instead of measuring brand awareness, Millward Brown offered a so-called Awareness Index (AI) in which advertising awareness was the key variable. Millward Brown believed that advertising awareness related to advertising expenditure and showed an impact on consumers. AI was shown in terms of scores which were the ratio of awareness percentages per 100 GRPs (McDonald and King, 1996; White, 2000).

The close collaboration between clients and research companies happening in the US could be seen in the UK as well. In the 1960s, advertising agencies began to show their hostility to research companies' copy testing in terms of both measures and methods. For the measures, British agencies did not believe that recall was an appropriate measure of advertising effectiveness. It resulted from Reeves' penetration theory. Research

companies such as Gallup and Robinson used recall as a selling research measure in their popular service called DAR (Day-After-Recall). But British agencies found the low correlation between recall and attitude and between recall and behaviour as in Haskin's work. Therefore, high recall scores did not mean that advertising was effective. American recall scores were just a "numbers game" for advertising and they did not tell how creativity helped achieve success (Pollitt, 1971: 33). Second, and perhaps more importantly, agencies thought that research companies reduced their advertising value into a single measure. They were also worried about designing advertising "to beat some 'norm' which might well not be relevant" (McDonald and King, 1996: 181). The reason why agencies disliked norms was understandable. As described in the section on the history of market research, research companies in the 1970s encountered the economic recession and had to focus their services on syndicated research to save costs as commissioning customised research was uncertain. Norms in syndicated research ensured them that they always had clients. But norms did not help agencies improve their work because they were not diagnostic. They could tell clients 'which' advertisement or 'whether' the advertisement was good but did not give any information about 'how' and 'why' it was good, that is, how consumers responded to the advertisement and why they responded to it in that way (Broadbent, 1997; McDonald and King, 1996; Channon, 1983). In fact, the purpose of copy testing in American practice was not diagnostic but evaluative. British agencies also had communication research for diagnosis like the American. The difference was that the British wanted to remove copy testing which was pre-evaluative and remained communication research. Evaluation should not have been done before the campaign but after it. "There is no way of 'testing' an advertisement in advance of market place exposure which gives you a simple yet reliable guide to the effectiveness of the advertisement in question. The tools of measurement are too crude and of too uncertain

relevance ... ,” said Alan Hedges (1997: 11) originally in 1974. His well-known publication *Testing to Destruction* was sponsored by the IPA and used as a bible for account planners to argue against clients and research companies about pre-testing. In this sense, if British agencies rejected evaluative copy pre-testing, they had to find another evaluative research method to prove advertising effectiveness. And it was the IPA Awards that measured advertising effectiveness at the post-implementation stage of the campaign.

For the research methods, British agencies argued that most pre-tests were conducted in an artificial setting such as a theatre. Laboratory pre-testing was not preferable because it did not represent the real-world situation (McDonald and King, 1996). McDonald’s and King’s reason was similar to Elliott’s in the previous chapter. Another reason was provided by Pollitt (1969, 1971). He argued that not only did research companies use wrong measures such as recall, but they also selected wrong samples. As British agencies found that in the repeat purchase product category there were fewer possibilities to convert non-users to users, the advertising objective would have been intensifying usage among existing users. But the samples research companies selected were total buyers which included both non-users and existing users. Measuring attitudes of total buyers concealed the fact about attitudes of existing users as they might have had strong attitudes towards brands, particularly those in the second or third ranks.

Not only did advertising agencies argue with research companies, but they criticised marketing people in client companies as well. Hedges’ view about pre-testing did not seem to fit the view of clients who had the concept of controlling in their operation. His idea could be best described by himself:

“We would be well advised to strike the work ‘testing’ from our advertising vocabulary, because it gives a quite misleading impression of the proper aims and possible achievements of the

operation. ... Research cannot and should not be asked to control either the creative or the decision-making process. ... We too often speak of testing advertising ... as if we were submitting the piece of film or print to a testing machine ... which will accept or reject it; just like the quality control process at the end of the production line which rejects items are over or under weight, or whatever it may.”

(Hedges, 1997: 12, 43)

Hedges was not the only person who saw the conflict of working process between advertising agencies and clients. As stated earlier in the section on the history of account planning, King argued that the advertising process did not work in the same way as assembly lines in factories but rather project teams in which specialists from each department worked together. Perhaps, it was the point that King saw advertising campaigns as individual unique pieces of work, not identical products moulded out of factories. Channon (1968) pointed out that it was in fact the creative part of advertising that was in question. If the creativity was removed from advertising, clients could have treated other parts as assembly lines and with quality control. King (1985) took a further step to criticise marketing departments in client companies. Product manufacturers lived under two environments. The first one was the producer bureaucracy which meant more hierarchies and rules while the companies were growing. The second one was the profit spiral which meant the interplay between profits and investments; that is, more profits resulted from more investments and vice versa. The environments of product manufacturers did not match changes in consumer behaviour. Consumers were more individualistic and wealthy enough to buy goods because of their quality more than price.

The incongruity between manufacturers and consumers led to four types of marketing failure (King, 1985). The first one was ‘thrust marketing’ in which sales managers became marketing managers. Their job was to manage the distribution process

from factories to retailers. Their favourite strategy was price-cutting; therefore, brand added values were not their concern. The second type was 'marketing department marketing' where clients set up separate marketing departments and the brand manager system. But the problem was that although these brand managers and their boss, marketing managers, recognised the importance of consumers' wants, they were stuck with the producer bureaucracy and could not do much to satisfy those wants. Marketing departments had the same level of authority as others such as production departments, R&D departments, finance departments, etc. All of these departments were under the control of companies' boards. Marketing people often said that they were keen on brand planning to meet consumers' wants. But branding, in King's view, was the larger concept than the marketing departments. It concerned the whole client organisation (King, 1971). The third type was 'accountants' marketing' which happened when companies were developed into mergers. Accountants became more dominant than marketing people. Then, the purpose of marketing was to keep an eye on bottom lines and profit-and-loss statements. The profit spiral became the key factor of manufacturers' survival, particularly when they faced the retailers' strategies of sales promotion during the 1970s economic recession. Accountants' marketing had to use the same strategy as thrust marketing, that is, sales promotion to gain short-term profits and lose long-term brand values. The fourth type was 'formula marketing' which was similar to the second type in that marketing people had to obey top-management policy. As a result of accountants' marketing, formula marketers learned to play safe in the middle way and did not dare to take risks for innovations and radical changes. Pre-testing was a tool to secure their positions in the organisation. King's ideas were consistent with Pollitt's. He felt that quantitative pre-testing helped clients make an easier decision about advertising and feel that everything was under control. It reduced the lengthy process of bureaucratic



management (Pollitt, 1971). But for agencies, although pre-testing techniques were still used in the US, UK agencies felt that they were weird. Pollitt (1969: 15) also expressed his worry about clients' attitudes towards agencies that "if you did not agree to be measured, you must have something to hide." And qualitative pre-testing and the IPA Awards were something to show that agencies were ready to be measured and had nothing to hide.

Channon (1968, 1986) was the person who tried to give a perspective that satisfied both agencies and clients. It was generally accepted that consumers of advertising research were advertising agencies and advertisers. There were three main functions of research. First, it was a shared basis between groups of people to create stability among them. Although Channon referred 'groups of people' mostly to inter-groups i.e. agencies and advertisers, the definition of 'groups of people' could be extended to intra-groups such as departments in both agency and advertiser organisations. All of the groups had a common purpose but different operational goals. The common purpose was solving problems in the advertising process. Research was regarded as an independent source of information that provided a general view of facts for every group to hold. Although organisations consisted of groups of people, they had to formalise their vision in order to act as one. And research was a tool to help create unity. But at the operational level, each group used research to rationalise its decision making and tried to convince other groups of the decision. Agencies had their own stance which differed from advertisers. Agencies used research to convince advertisers while advertisers used research to convince agencies. For Channon, clients used research to preserve any decision already made rather than using it for a better decision. Clients always behaved in the way they had usually behaved. They preferred communication effect measures such as recall and attitudes because these measures gave them easy answers to advertising effectiveness. These

measures also helped them avoid talking about ‘how advertising worked’, particularly advertising effects on sales. That was because clients assumed that the communication effect measures were representative of sales. If agencies agreed with clients on this, both could make an acceptable decision. But executives of both organisations left unresolved problems to their managers to mitigate the conflicts between departments, for example, between marketing and finance departments in client organisations or between account executives and creative people in agencies.

But if agencies disagreed with clients, they might have used research for the second function, that is, confirming the decision to be made. For example, agencies may have decided to continue consumer advertising despite facing some negative feedback from stakeholders such as retailers, salespersons or banks. In this case, research could be helpful to resolve the conflict between agencies and clients. Judgements within peer groups in the industry sometimes were made without prior warning and based on pure logic. Research would be evidence that made every group confront the reality (Channon, 1968, 1986).

Research was also used for its third function: groups’ memory. Documents kept in organisations were their memory. While documents were static, members of groups moved in and out the organisations. Research was records that the organisations collected systematically and continuously to compare the results year by year and link the past and present. It was formal memory that created consistency over time and was better than small marketing or creative briefs circulating between departments. It helped the organisations maintain stability while their members moved in and out. New members would learn their roles from the research information their predecessors had done (Channon, 1968, 1986).

Channon's ideas could be applied to both pre-testing and post-testing. He also suggested some alternatives of pre-testing and post-testing. They were qualitative approaches. Qualitative approaches for pre-testing will be explained in the following section and those for the IPA Awards as post-testing will be discussed in the next chapter.

### **Qualitative Approaches in Psychology**

Dissatisfaction with behaviourism and cognitive psychology both of which were based on quantitative approaches encouraged British agency people to find a new way to evaluate advertising creativity. They labelled quantitative approaches as 'advertising does something to people', which was based on the concept of passive audiences and chose the opposite alternative called 'people use advertising' or the concept of active audiences. They chose the low-involvement theories to reflect their support for the concept of 'people use advertising' such as cognitive dissonance theory and selective perception in addition to their own research findings such as Ehrenberg's and API (Broadbent, 1997; White, 2000; McDonald and King, 1996; Lannon and Cooper, 1983). By the same token, when American practitioners used Reeves' USP as a creative strategy and standard copy testing system to evaluate it, the British had to find a counterpart.

To argue against the American copy testing, British agency people chose two psychological theories that indicated qualitiveness. The first one was Gestalt theory. Gestalt theory was not one of the five main approaches in psychology (Gross, 2005; Malim and Birch, 2005). It was a concept of perceptions and began in the 1920s as a negative reaction to behaviourism. Gestalt psychologists held that the whole was greater than the sum of its parts. Humans perceived things as a whole, not in parts as believed by behaviourists. The brain organised perceptions into a meaningful pattern rather than

dividing them into individual elements. That was the reason why Gestalt theory was regarded as holistic. Gestalt psychologists used subjective observations and reports of conscious experiences as research methods. There was no evidence how Gestalt theory contributed to market research. But King (1967, 1968) and Pollitt (1969, 1971) applied it to their concept of branding. They believed that consumers perceived a brand as a total blend between senses, emotions, experiences and symbols. Therefore, when they perceived the message content of an advertisement, they did not see it as separate parts such as particular words or visual frames but rather the whole meaningful story. Consumers also perceived the brand as a person, which led to the concept of brand personality. King chose Gestalt theory because it was opposed to clients' working process of assembly lines and job divisions. Pollitt chose it because it was opposed to research companies' pre-testing services that separated psychological variables into pieces and picked a particular variable such as recall as a selling point. It was also opposed to clients' pre-testing that was divided into three or four stages from communication research to copy testing.

The second psychological theory was in fact one of the five main approaches in psychology. Psychodynamics was developed from psychoanalysis, whose founding father was Sigmund Freud (Gross, 2005; Malim and Birch, 2005). He believed that human mental activities were based on unconscious minds. His idea seemed to attract British practitioners because it was opposed to cognitive psychologists whose core studies were concerned with the consciousness of minds. Although Freud was a neurologist, the focus of his studies was on emotional aspects of humans and personality. His research methods were mostly case studies with small samples and no statistical analysis. He also used depth interviews to interpret hidden meanings in the minds. Psychodynamics came into the market research world in the name of motivation research during the 1950s. Its early

pioneer was Ernest Dichter, a Viennese psychologist who was trained under Freudian concepts. Motivation researchers were not interested in humans as rational beings but subconscious and emotional levels of human minds. It was the state of mind that people did not express obviously. The researchers started with consumers and used qualitative methods such as depth interviews, group discussions and projective techniques (e.g. word association, sentence completion) to elicit what consumers wanted although they did not know it. Motivation research became as popular as behaviourism of the 1920s when leading American agencies such as Leo Burnett and Foote, Cone and Belding (FCB) set up their own motivation research departments. One of the reasons for its popularity was that it was research underpinning the creative style of emotional appeals or 'soft-sell'. For example, Pierre Martineau, the research director of *Chicago Tribune*, said that quantitative methods looked rational but did not have sensitivity to people, and thus the 'reason-why' copy style was old-fashioned. However, some researchers who appreciated the rational style of creativity disagreed. Alfred Politz argued that motivation research did not work because hidden motives could be measured at the individual level but could not be inferred to the wider population. At this point, the emotional-appeal style of advertising had a research support as opposed to the reason-why style based on behaviourism. Motivation research became notorious when Vance Packard's *Hidden Persuaders* was published in 1957. He acquired some information from Dichter and James Vicary. Vicary experimented on subliminal advertising which inserted a frame of popcorn and soft drink advertisements periodically into a film reel. But people could not notice them while watching the movie because the frame passed too quickly to be noticed. Then, it was found that sales of both products increased. Subliminal advertising seemed to be a good method for advertisers. But Packard depicted it and advertising as a whole as a manipulative, dark and unseen force, which created fear among American people. The

consequence of his book was that Vicary's subliminal advertising was banned by the National Association of Broadcasters in 1958 (Fox, 1984).

Motivation research came to Britain in 1938 when Dichter and his team set up their Institute of Motivation Research at Croton-on-Hudson. Instead of saying that he was a psychologist, Dichter called himself a cultural anthropologist. During the 1950s, his reputation was growing as he often surprised clients with research results that made people laugh. Advertisers and agencies used motivation research in order to gain deeper insights about consumers, particularly the 'why' question. However, Packard's influence also came across the Atlantic to Britain. Harry Henry, one of the founding fathers of the Market Research Society, alleviated Packard's accusation by explaining that motivation research was still useful to solve marketing problems if it was conducted properly (McDonald and King, 1996; Joyce, 1963).

British agency people could not give up on motivation research because it was a way to strike back against the scientific thinking of clients and research companies. They did not want to accept Packard's accusing advertising of being manipulative as it was consistent with the concept of 'advertising does something to people' that they labelled on clients and research companies. Under the concept of passive audiences, senders were active and able to predict and control receivers. The receivers were passive and reacted, rather than acted, to the message rationally and predictably. The senders sought the right channels to send the right messages to make the receivers obedient. After the receivers received the messages, they reacted in the way the senders wanted. The senders were eventually satisfied if the process of sending messages was under control (Windahl and Signitzer, 2006). The concept of passive audiences fitted the marketing view of controlling. It could be seen from the marketing language such as "moving into markets", "mapping out strategies" and "devising tactics" (Lannon and Cooper, 1983: 199). Clients

and research companies, in agencies' view, used the concept of passive audiences, quality control, rational scientific thinking and quantitative research methods. If qualitative methods of psychodynamics was categorised into clients' and research companies' concepts under the allegation of being manipulative, agencies had to find another way to redeem their position. A way out was to glorify a creative strategy that was opposed to the 'reason-why' copy style without a research support. In 1969, Pollitt cited a creative strategy known as William Bernbach's Execution to argue against Reeves' USP. Bernbach was an American copywriter and one of the founders of Doyle Dane Bernbach (DDB). He rejected research and made his agency famous because of its emphasis on creative execution. He believed that execution such as humour or other emotional appeals was the main factor in successful advertising (Aaker et al., 1992). Pollitt (1969: 20) admired Bernbach because he "was a spokesman for a new type of agency creative man." Bernbach was appreciated by not only Pollitt but also other account planners such as Cowley (1989), Cooper (1997), Rainey (1997), Feldwick (2000) and Steel (1998). Reeves' USP was dull and reflected clients' and research companies' view of passive audiences that underestimated the public's taste and intelligence. In contrast, Bernbach's Execution made advertising lively and chimed with the concept of active audiences (Pollitt, 1969; King, 1982).

Motivation research came back during the early 1980s under the name of humanistic advertising by Lannon and Cooper (1983). As described briefly earlier in this chapter, they mentioned Carey's work on differences between American and European mass communications. Because of different mass communication circumstance, American agencies used the concept of passive audiences to match clients' and research companies' requirements of controlling. In their view, British agencies should choose the European style that used the concept of active audiences based on anthropology and

phenomenology. They suggested that British agency people should “detach the language of advertising from the language of marketing” (Lannon and Cooper, 1983: 199). They also went further than King and others to integrate advertising into mass communications by citing uses and gratifications theory in addition to Gestalt theory and cognitive dissonance theory under the category of active audience theories. Uses and gratifications theory had basic assumptions that, due to problems of social and psychological circumstances, people consciously selected and used media channels and content to meet their needs. In the early days of the theory, satisfactions were defined as information-seeking for problem-solving which looked more like the economic concept. Later, their definition included social and emotional aspects; for example, people sought information for social contact and entertainment. Media uses were subjective and interactive experiences which people learned (McQuail, 1994). Although Lannon and Cooper understood the concept of active audiences, their demonstration of the concept relied on psychodynamic research methods. In fact, the concept of active audiences was based on sociology, not psychology. According to Windahl and Signitzer (2006), active message receivers created their own information to make sense of the world around them. It was the way to study receivers from their point of view, not the senders’ view. Receivers’ life context was a main factor to understand their sense-making of the world. They used communications as part of social interaction by interpreting messages and using them as a tool to interact with other people in the society. Communication planners’ duty was not to control but understand audiences, which was based on an assumption that senders and receivers shared social meanings under the same culture. Effective communications depended on mutual understanding and learning between planners and audiences. Planners would ask when audiences used messages and for what they used them. And the answers varied from situation to situation. It seemed that Windahl’s and Signitzer’s



concept of active audiences had a broader sense than Lannon's and Cooper's. Psychodynamic qualitative research methods recommended by Lannon and Cooper were probably sufficient for pre-testing and justifying the concept of active audiences. But they were not sufficient for the demonstration of the effectiveness of the whole advertising process as appearing in the IPA Awards. Windahl's and Signitzer's concept of active audiences was probably a more appropriate perspective to be applied to the Awards.

## **Chapter 7**

### **Values of Learning and Competition**

#### **The Purposes of the Awards**

In the previous chapters, several events that happened before the Awards started have been described. They were all about the conflicts between advertising agencies on the one hand and clients and research companies on the other. These conflicts caused problems in practice for agencies and led them to seek out a means of showing the nature of their business. It seemed that advertising theories in either marketing or advertising textbooks did not fit the reality in practice. British agency people established their own advertising theories and used them to argue against clients and research companies. The IPA Awards were such a demonstration. They were the consequence of the past. All of the previous events made it no surprise that the purposes of the Awards did not change for two decades. Although the words in the above purposes were different, the ideas were similar. They could be summarised into five main areas:

- 1) To create a better understanding about advertising effectiveness and how advertising worked.
- 2) To improve analyses of advertising effectiveness and methods of evaluation.
- 3) To demonstrate that advertising could make a measurable contribution to business success, particularly the bottom line such as sales and profits.
- 4) To create a better understanding about advertising's role which was important to marketing.
- 5) To encourage professionalism within the advertising industry.

(Broadbent, 1981, 1983; Channon, 1985, 1987; Feldwick, 1990, 1991; Baker, 1993, 1995; Duckworth, 1997; Kendall, 1999; Broadbent, 2000)

The first and second purposes were concerned with ‘learning’. They were set up to encourage advertising people in agencies to learn and help each other develop advertising theories, particularly those concerning how advertising worked. They indicated two issues to be discussed. First, the Awards aimed at recruiting agency people to develop advertising theories. This was Simon Broadbent’s motivation to establish the Awards. Tim Broadbent, his son, and Paul Feldwick who knew Simon personally as Tim was one of his good friends recalled Simon’s motivation. After the economic recession of the 1970s and the growth of multiple retailers and clients’ concentration on sales promotion, Simon felt frustrated that agencies forgot to talk about the sales effectiveness of their advertising. “Nobody really paid that much attention to how much and how they evaluated their advertising,” said Feldwick (Interview 28 June 2005). “The focus was very much on the intermediate measures rather than business results.” As described in the earlier chapters, many controversies concerned measurements of creativity. British agency people used qualitative approaches from psychology and Bernbach’s creative strategy to argue against a standard pre-testing system. They were all about communication effects – the intermediate measures contributed by psychology. But there was no one yet talking about sales results publicly. What Simon Broadbent and his team did for AMTES was done privately for Beecham. While the business environments were threatening agencies, they often said, “We do not know what [advertising] is going to contribute” or “We do not know what happens” (Broadbent, Interview 4 July 2005). As a result, Simon Broadbent’s desire was to place the Awards’ case studies in the public domain. That is, they had to be published in order to release any private data of

effectiveness clients and agencies had previously kept secret (Broadbent, Interview 4 July 2005). In fact, agencies wanted to tell this statement to clients more than their agency peers. In the previous chapter, the API findings were shared among two fathers of account planning, Stephen King and Stanley Pollitt, to argue against clients. “Agencies are more like universities where knowledge is something to be shared and to be spread,” said Nick Phillips (Interview 29 June 2005). The IPA intended to have the Awards be a library of information about advertising effectiveness. Phillips’ idea was consistent with Stephen Resor’s in creating JWT to be a university of advertising. But for British agency people, their university of advertising had to be different from the American university.

The second issue was concerned with the advertising theories that agencies wanted to develop in the Awards. Although the Awards had the words ‘advertising effectiveness’ in their title, they encouraged agency people to demonstrate ‘how advertising worked’, which was a larger process than ‘advertising effectiveness’. It was partly because marketing and advertising people defined the term ‘effectiveness’ differently. Patrick Barwise, a marketing professor at the London Business School and one of the Awards judges in 1992 and 2000, indicated that agency people confused ‘effectiveness’ and ‘efficiency’. “A key point about marketing and advertising effectiveness is that you have to be very, very disciplined in setting communication objectives,” said Barwise (Interview 14 July 2005). Advertising should be evaluated against the objectives set previously. He added that Tim Ambler, his colleague and one of the Awards judges in 2002, observed that most of the Awards entries did not do so. In a dialogue between Tim Ambler and Simon Broadbent (2000), the objective definitions of these two words were provided by the *Oxford English Dictionary*. ‘Effectiveness’ means achieving goals while ‘efficiency’ means the ratio of results to resources. Ambler insisted that any discussion about effectiveness could not have happened unless the goals or

benchmarks had been defined. Broadbent admitted that the Awards committee did not discuss goals.

In the agencies' view, 'effectiveness' was not a different word from 'efficiency' but rather subsumed 'efficiency'. Channon (1990) gave the agencies' view which differed from clients'. For him, 'efficiency' had a narrower sense than 'effectiveness' as efficiency meant cost-effectiveness. Marketing people often used the term 'efficiency' when they encountered the economic recession in order to cut down advertising budgets, focused on the short-term effects only and ignored the long-term brand building by advertising. They also ignored how advertising strategies had contributed to the previous success. Therefore, the title of the Awards should be 'effectiveness', not 'efficiency'. And because agency people incorporated efficiency into effectiveness, they sometimes defined efficiency as effectiveness. For example, Jeremy Bullmore (Interview 9 August 2005), who was one of the judges in 1992 and 1994 defined effectiveness as "the money a client spends on advertising. ... [And] as a result of spending that money, he is better off than if he had not spent it." However, not all agency people included 'efficiency' into 'effectiveness'. Mr. A (Interview 30 April 2004), who participated in the Scottish IPA, had similar definitions of both terms as the clients'. Effectiveness meant achieving the objectives and efficiency meant the worth of the received amount compared with the amount put in. However, in his opinion, it was marketing people who were confused with the two terms.

It seemed to be different interpretations from different standpoints. Marketing people had marketing objectives which involved sales, profits or market shares. They had marketing strategies to achieve the objectives. Agencies had advertising strategies to achieve advertising objectives which differed from marketing objectives. Advertising objectives were all about communications and should not be involved with business results. According to Phillips (Interview 29 June 2005), although clients were mostly

interested in the total effect of profitable sales, they were not interested in which element of the marketing mix caused a better effect than the others. Marketing people's motivation and whole careers relied on the bottom line. But advertising was the core of agencies' business. In agencies' view, clients concentrated on marketing objectives, strategy and evaluation. But for advertising, they concentrated more on evaluation than objectives and strategy. Clients did not recognise the value of advertising objectives and strategy as much as agencies wanted. Clients often believed in the evaluation of research companies, who were not advertising experts, as seen in standardised copy testing. They ignored the variety of advertising objectives and strategies that differed from campaign to campaign. Moreover, agency people knew that if they argued with marketing people over the issue of objectives, they could not show the value of advertising as more than being a communication tool in the marketing mix. That was one of the reasons why the Awards committee did not want to discuss goals. Agency people used the Awards to tell marketing people that advertising could do more than have communication functions. They wanted to prove that their advertising activities could yield business results as could marketers' marketing activities. And they did not like being discriminated against by marketing people who wanted to preserve the term 'efficiency' for their tasks and labelled agencies as only capable of communication 'effectiveness'. From all of these reasons, the title of the Awards had to be 'effectiveness' that included 'efficiency'. And the way to prove the effectiveness should not be the same as clients had previously used. The proper way was to demonstrate the process of 'how advertising worked' from objectives, strategy, evaluation which included both communication and sales results.

The first and second purposes of the Awards – learning – led to the third and fourth purposes which were designed to solve practical problems. According to Gary Duckworth (Interview 30 June 2005), the convenor of judges in 1996, effectiveness

meant that advertising produced by agencies could solve a specific problem for clients. It meant that agencies' job was to help clients solve a problem. However, there was a certain problem between agencies and their clients that agencies had to use the IPA Awards to solve. As agencies had seen threats caused by the growth of sales promotion and marketing people's inclination towards it during the economic recession, they did not want to be under the control of brand or marketing managers. Butterfield (1985) indicated that the fundamental duty of account planners was to create a business partnership between agencies and clients. It meant that their job was not only developing advertising theories but also promoting them to be recognised by clients' boards of directors. In the previous chapter, King saw the concept of branding as being related to the whole organisation, not just the marketing department. He also saw vulnerability in marketers whose authority could be replaced by accountants when the company faced a financial crisis. His idea was consistent with Simon Broadbent's in the first competition of the Awards which has been mentioned in the section on the growth of multiple retailers and sales promotion. He wanted the Awards to be recognised by accountants and more particularly managements. As he stated:

“Management's attitude to evaluation has generally been sceptical. Management often believes that advertising cannot produce measurable results. ... Management is more properly doubtful about whether evaluation is worth doing. ... But these papers show that it can.”

(Broadbent, 1981: 2)

Management in his term did not mean only marketing managers but also managers of other departments and managing directors in client companies. Therefore, the third purpose of the Awards – to demonstrate advertising's contribution to business success – was more important than the fourth purpose – to help understand advertising's role as a

marketing function. It was unavoidable to say that advertising was a marketing tool because the departments that agencies had to contact directly were marketing departments. It could be said that the agency people who organised the Awards in the early 1980s foresaw the importance of the finance departments which became dominant in client companies during the 1990s. McDonald (1997) quoted Broadbent's observation and concluded that marketing departments in client companies tended to lose power to finance departments. Broadbent (1997) himself cited the 1995 and 1996 surveys which indicated that finance directors and marketing directors found advertising unaccountable during the previous decade. They were not yet satisfied with the effectiveness of marketing activities. Finance directors indicated that they did not have sufficient information to make a decision on marketing budgets and their effectiveness. Thus, they tended to be keen on other budgets such as information technology and research and development. Broadbent recommended the Awards case studies in *Advertising Works* series as the obvious evidence that advertising was actually effective.

The purposes of the Awards to solve practical problems were mirrored by Charles Channon. As indicated in the previous chapter, he addressed the three functions of research. The first one was that research should be used on a shared basis between groups of people whose operational goals were different. Although Channon referred 'groups of people' mostly to agencies and clients, his idea could be applied to different groups within the organisation. Agencies could bring the Awards to marketing managers and ask them to use the Awards as evidence during the discussion of marketing budgets with finance directors. In the agencies' view, marketing people did not know much about budgeting. Tim Broadbent (Interview 4 July 2005) cited a piece of research done by the Institute of Marketing. Chief executives had been asked about their opinion of their



marketing departments. And the answer was, “We think they are idiots.” Broadbent concluded that:

“Marketing people seem almost incapable when talking the language of business ... They cannot talk money. They cannot talk finance. ... We think of the benefit of the Awards. It shows the marketing is worth doing. ... [But] marketing departments themselves hardly ever make that case. ... Marketing departments simply buy communications these days more and more. That is all they do. They do not do marketing.”

The third function of research, according to Channon, was the groups’ memory. When his thought was applied to the Awards, they could be a data source within client organisations regardless of changes in personnel. While brand managers and marketing directors moved in and out the organisations, the Awards case studies could be a permanent source of advertising effectiveness from which new or young people learned. Tim Broadbent (Interview 4 July 2005) added that the average tenure of marketing directors was approximately 18 months, too short a period to make a significant change for established brands. Thus, they did not care much about the long-term sales effects of advertising. And that was one of the reasons why Simon, his father, created the IPA Awards. Being an award scheme helped recruit people for participation. “It became a kind of Oscars for effectiveness,” said Tim. It was a better method to create clients’ recognition of the importance of advertising effectiveness compared with other means such as cash prizes or informal discussions.

The fifth purpose was an extra one to summarise the preceding four areas and raise advertising’s status to the professional level. In my view, it was Channon’s idea to raise agencies’ standards as he emphasised it strongly in the 1984 and 1986 competitions in which he was the judge convenor. Paul Feldwick followed Channon’s idea in the 1988

competition but did not mention professionalism in the 1990 competition. Nick Kendall, the judge convenor in 1998, exactly followed what Channon had said in the 1984 competition. Damian O'Malley (Email 18 August 2005), who won First Prize in the first competition, said that the IPA Awards helped increase confidence in his skills and abilities but not his professionalism. The only interviewee who gave information related very closely to professionalism was Rita Clifton, who was involved with the Awards as an entrant in 1988, as a VAC member in 1992 and as a judge in 2000. She also had a client's perspective as a non-executive director at Dixon's. Although she believed that marketing people in client companies were talented, they were often under other pressures within their organisations which made them unable to be objective. In contrast, agencies worked with different clients and businesses; therefore, they could use their learning from various sources to help a client. Account planners in agencies were real specialists in planning and thinking while marketing people did not have time to do that (Clifton, Interview 19 August 2005). However, Clifton did not address the word 'professionalism' explicitly. It seemed that Ann Burdus' hope of raising professional standards among agency people, as described in the section on the growth of multiple retailers and sales promotion, was not yet recognised much.

### **Sociological Qualitative Approach**

In addition to an inability to prove the causal relationship between advertising strategy and its effects, operating field experiments in the British environment encountered certain problems as described in the section on AMTES. Proving causality was important. But if the quantitative approach could not provide the answers that agency people wanted to know, the qualitative approach probably could. However, British

advertising practitioners found that the qualitative approach in psychology as appearing in motivation research had a bad reputation. More importantly, it was only the methodology that could not compete with the quantitative approach. The quantitative approach had its roots in the philosophical level that covered not only methodologies but also paradigms, concepts and practice. British agency people had to find the equivalent in the qualitative approach. And they found it in sociology. In the first chapter, sociologists were described as acting like observers of events. They observe what happens in the institution and how its behaviour affects society. Although they have a dilemma view of advertising: advertising as a marketing tool or advertising as a form of mass communication, their purpose of studies is inherently subversion. It means that they tend to help the disadvantaged or powerless in the institution or society. However, they might never have imagined how agency people started to be interested in their methodologies and adapted them to create advertising effectiveness theories. In this sense, the sociological view of criticism turned into a creator of advertising theories. British agency people saw themselves as the disadvantaged in the industry as they began to lose their power of doing advertising research to clients and research companies. They hoped that the sociological qualitative approach might have helped them regain power. Sociology is closely related to mass communication studies. If British agency people saw their business as a form of mass communication and wanted to find a way to distinguish themselves from marketing, they had to trace back to market research, mass communication studies and finally sociology.

As described in the section on the history of market research, while American market research was largely based on psychology, the British relied more on sociology and anthropology. Surveys were always a popular method, particularly during the first half of the twentieth century. But in 1937 the first qualitative sociological research was

introduced in the British market research scene by Harrison and Madge. Under the project called Mass Observation, they used methods in ethnography, mainly participant observation plus interviewing, autobiographies and diaries (McDonald and King, 1996; McNeill, 1994). The backgrounds to applying anthropological methodology to market research came from “worries among the intelligentsia about the ‘primitive’ or ‘irrational’ way the public seemed to respond to events” such as the abdication of Edward VIII and the rise of Hitler’s power (McDonald and King, 1996: 70). Mass Observation was one of the projects that used sociological qualitative methodology. However, from the 1950s onwards, most of the qualitative research was based on psychoanalysis. It was the influence of American psychology on British marketing and advertising practice. British agency people had to look at the historical application of sociology to studies of mass media effects. Sociologists in fact used both quantitative and qualitative approaches. An example of the quantitative approach was surveys. After the Second World War, there were strong emphases on the objective method of surveys. But during the 1960s, British sociologists began to doubt the validity of social surveys and pay more attention to qualitative methodologies. The 1970s was the period of “British sociology’s wars of religion” as there were disputes between quantitative and qualitative approaches (McNeill, 1994: 6). And the 1980s saw the rise of more qualitative approaches such as feminism. The history of sociological research methodologies was paralleled by that of mass media effects (McQuail, 1994). The 1950s was the phase of the concepts of powerful media. Most research was conducted by means of objective surveys. Two obvious examples were Katz and Lazarsfeld’s *Personal Influence* and Klapper’s *The Effects of Mass Communication*. However, in the late 1970s, the qualitative approach called social constructivism became dominant in questioning the concepts of powerful media.

It seemed that before the Awards started, qualitative sociology had made a great contribution to mass communication studies in Europe. The concept of active audiences as opposed to that of passive audiences was an example and has been described in the previous chapter. British agency people saw an opportunity to apply qualitative sociological thinking from mass communications to their territory. Qualitative sociology attracted agency people because the 'wars of religion' meant that the status of qualitative research in sociology was strong enough to argue against quantitative research. The difference between quantitative and qualitative approaches did not mean only methodological differences but came from epistemological and ontological differences. The thinking behind the quantitative approach was based on positivism and objectivism while that behind the qualitative approach was based on interpretivism and social constructivism (Bryman, 2004; McNeill, 1994).

The sociological qualitative concepts seemed to fit Stephen King's and Stanley Pollitt's ideas in the previous chapter. The disagreements of measuring advertising effectiveness were concerned with the creative part of advertising. Media planning could employ management science but creativity could not. To measure creativity effectiveness properly, advertising should be seen as mass communication rather than marketing. Although King (1982) did not state explicitly that he adopted the sociological qualitative approach, he showed an attempt to find a new way which was not based on management science to measure creativity effectiveness. He looked back to the late nineteenth century when mass advertising was based on an intuitive approach which sounded creative to him. But it was replaced by market research and management science. The intuitive approach was not robust enough to argue against management science; therefore, he decided to redefine the term 'science'. He classified science into two types: Old Science and New Science. The father of Old Science was Francis Bacon. The process of Old Science was

hypothetico-deductive which started from observations, collecting and analysing data, resulting in general laws and finally verifying those laws again and again. King believed that knowledge could not be generated by Old Science because it was just the process of collecting more facts. An example of Old Science was step-by-step models of advertising effectiveness. British manufacturers failed to launch their new brands in the 1970s because they adopted Old Science. New Science was different. The father of New Science was Karl Popper. King appreciated Popper because Popper suggested that scientists could be as creative as Galileo and Einstein. The process of New Science started with trial solutions or ideas which resulted from the dissatisfaction of old theories. The ideas did not come from logical but rather unconscious and scattered thinking. Then, they were formed into a practical statement which was subsequently tested by experiment. New Science used experiments in an attempt to disprove the created ideas while Old Science used experiments to collect facts. The process of New Science was another reason why King appreciated Popper. New Science supported British agencies' view of challenging marketing and American advertising effectiveness theories. King believed that with New Science agencies and clients enjoyed disproving theories together.

King's redefinition of science was consistent with Thomas Kuhn's concept of revolutionary science that tried to challenge normal science (Kuhn, 1996). Normal science was the result of gathering facts to establish a paradigm. The process of gathering facts was Old Science in King's term. Once the paradigm was established, practitioners in the paradigm practised in the same way to ensure the existence of the paradigm and protect their career. But anomalies could happen sometimes and were noticed by young practitioners. If a great number of anomalies were found, the young practitioners teamed up to establish a new paradigm. It seemed that what King and others were trying to do until the Awards might have been influenced by Kuhn's ideas as they saw the anomalies

in their research experiences that were different from clients' and research companies' and wanted to distinguish themselves from marketing. However, according to Klee (1997), Popper's falsificationism was a hypothetico-deductive method. It meant that Popper's concept that King appreciated was still positivist. Perhaps, one reason why King tried to apply the word 'science' to the art of advertising creativity was that clients' thinking still relied very much on science. The agencies' new paradigm of proving advertising effectiveness in the Awards should not directly challenge clients' existing attitude to science. The new paradigm was suggested by Charles Channon under the name of 'search paradigm'.

In Channon's view, paradigms were patterns that identified views of knowledge, types of problems and their solutions. Paradigms were larger and thus more important than modes of inquiry; that is, paradigms determined research methods or methodologies. Research methods such as focus groups, a qualitative method in psychoanalysis, were superficial investigations. Agencies needed something that was more robust and aimed at knowledge at the level of theory rather than measurements at the level of inquiry methods. Channon divided paradigms into two categories: test and search paradigms. The test paradigm came from natural sciences and was the basis of surveys, experiments and statistics. It focused on numbers and involved observation, replicable measurement, prediction, control and manipulation. The test paradigm gave practitioners certainty that could be demonstrated by hypothesis testing. An example of the test paradigm users was Popper. Marketing people in client companies loved the test paradigm because it ensured their career positions in the organisations. But it did not help develop advertising effectiveness theory because it did not answer the questions of 'how' and 'why' advertising worked (Channon, 1982, 1983). It could answer the questions of 'whether' and 'what' advertising worked. Another example of the test paradigm users was

behaviourists who measured only stimuli and responses and assumed that there would be more measures in the middle or the black box (Channon, 1968). While the scientific concept of the test paradigm was dominant in market research areas, Channon suggested the search paradigm as “the art of market research” (Channon, 1983: 358). The search paradigm focused on words and involved quality, insights, understanding, dialogue and cooperation. It introduced contexts into the studies, not just bland measures. It was important to study consumers’ exchanges of social meanings and discourses in open society. Although it showed practitioners uncertainty by heuristic means, it gave holistic views by welcoming any concept in social sciences such as anthropology, sociology and psychology to create theory. And it seemed to be a practical world view to study advertising which should not have been limited as a marketing tool but rather as a mass communication institution. The search paradigm helped agencies to answer the questions of ‘how’ and ‘why’ advertising worked (Channon, 1982, 1983). Channon’s test paradigm was the concept of positivism while the search paradigm was that of social constructivism. What he said, “We ‘construct’ the reality around us, at home, at work, socially, professionally, politically, religiously and scientifically,” reflected the sociological qualitative approach (Channon, 1983: 359). He also admitted that his classification of paradigms was influenced by Kuhn and others.

### **Entry Requirements and Judging Criteria**

Agency people who initiated the Awards had finally found the paradigm to protect their advertising business. Their adoption of social constructivism determined the entry requirements and judging criteria of the Awards. Neither changed throughout two decades



of the Awards. Entrants were required to write their case studies in essay form. In the first competition, Simon Broadbent (1981) wrote that an essay must consist of:

- 1) Business background
- 2) Marketing and advertising objectives
- 3) Description of the campaign, including creative and media strategies
- 4) Campaign evaluation
- 5) Conclusion on success of the campaign.

He did not describe details of these elements because the Awards committee wanted the essays to be written in free form. And they kept the freestyle of entry requirements until the 2000 competition (Ambler and Broadbent, 2000). Tim, his son, who was the judge convenor of the 2000 competition, gave the reason for retaining the freestyle essay writing that it “allows greater innovation” (Interview 4 July 2005). Simon Broadbent summarised the five elements of entry requirements in 1982. However, Charles Channon, the judge convenor of the 1984 and 1986 competitions, retrieved the five elements of the first competition without changing any word of Broadbent’s (Channon, 1985, 1987). The entry requirements were reduced into a very short statement without a separate headline in 1990 when Paul Feldwick was the judge convenor. He stated that:

“We expect to see a clear exposition of the background to the campaign, the development of the strategy, and a clear statement of what was actually done and when (creative work and media plans), as well as the review of performance.”

(Feldwick, 1991: xiii)

Chris Baker, the judge convenor in 1992 and 1994, and Gary Duckworth, the judge convenor in 1996, maintained the exact statement of Paul Feldwick’s (Baker, 1993,

1995; Duckworth, 1997). The entry requirements were not mentioned from the 1998 competition onwards (Kendall, 1999). However, Michael Hockney, the chairman of the Awards committee from 1984 to 1992, confirmed that the entry requirements never changed. Although Feldwick's statement did not have 'marketing and advertising objectives', other elements were still the same. 'The development of the strategy' became 'the description of the campaign', and 'the review of performance' became 'campaign evaluation' and 'conclusion on success' (Hockney, Interview 13 July 2005).

The entry requirements that allowed entrants to write their stories of advertising effectiveness in free form reflected the concept of social constructivism. Agency people were social actors who participated in social activities as much as consumers. Consumers were active audiences and agency people's duty as researchers was to describe the shared social meanings and perhaps explain why consumers did what they did. Agency people finally found the way to answer the questions of 'how' and 'why' advertising worked. The freestyle essay writing allowed them to talk about theories of 'how advertising worked' as it focused on words rather than numbers. It also allowed them to include all elements that were required for explaining how the causes – situational analysis, advertising budgets, advertising objectives and advertising strategy – affected the consequences – communication and sales effectiveness. Including all elements for explanation illustrated its advantages of integration and flexibility. The advantage of integration was also consistent with King's idea of Gestalt theory as described in the previous chapter. However, it should be noted that agency people's concept of social constructivism was different from sociologists' as agency people used it for the survival of their business, not for consumers' sake as sociologists did for the public.

From 1990 to 1998, the number of words for essays was specified. The essays had to be written in not more than 4,000 words, excluding appendices and charts. The

maximum number of 4,000 words was continuously used in 1992, 1994 and 1996. It became an issue in the 1998 competition in which Nick Kendall was the judge convenor. Although most entries had to contain a maximum of 4,000 words, a maximum of 5,000 words was allowed if the authors wanted to extend their arguments beyond the sales effectiveness of advertising. One of the reasons was that Kendall introduced the manifold effects of advertising which demonstrated the effects of advertising beyond sales to other aspects, namely, the advertising effects on other communities than target groups such as the City, the employees and the public (Kendall, 1999). Another reason seemed to come from the politics concerning the Awards. The Awards committee might have faced some internal pressure to make the Awards easier for entry by reducing the maximum number of words. But Kendall and his team refused to do so in order to maintain the Awards' quality. As he stated:

“The purpose of these Awards is quality not simply quantity. ... So, the review group resisted the temptation to ‘dumb down’ the Awards and suggestions to cut the words required, tinker with the criteria for proof and adapt a ‘ready-made set of questions’ format were rejected.”

(Kendall, 1999: xiii)

Kendall and other judge convenors demonstrated their intention to maintain the concept of social constructivism which was based on the qualitative approach rather than the quantitative one.

If the entry requirements were set up on the basis of social constructivism, the judging criteria should be done under the same concept. The judging criteria of the first competition were written by Stephen King who participated in the Awards as a judge until 1988. It was surprising that it was not Simon Broadbent, the judge convenor, but rather King, one of the judges, who wrote the judging criteria. Typically, it was not the

judges' duty to create or change the judging criteria but rather the Awards committee. "The judging criteria are all written down by the IPA," said Jeremy Bullmore (Interview 9 July 2005). "The IPA will give you the criteria that they invite the judges to judge by." His information was confirmed by David McNair, one of the client judges in 1996 (Interview 16 August 2005). As seen in the diagram in the chapter of research methodology, the judge convenors were in the overlapping area of the Value of Advertising Committee and the judges. They were in fact the coordinators between the Awards committee and the judges. Although the Awards committee was responsible for organising the Awards, it was the judge convenors who initiated the main theme and the "intellectual side" of the Awards. The intellectual side, according to Marco Rimini (Interview 25 July 2005), the judge convenor in 2002, involved the rules such as entry requirements and judging criteria. King never participated in the Awards as a VAC member or even a judge convenor; however, a plausible reason why he was the person who set up the judging criteria was his reputation as a founding father of account planning.

The judging criteria came from King's note that was then circulated among the Awards committee and judges in 1980 (Broadbent, 1981). Broadbent quoted King's note in full in the first competition and it was used as a prototype for the subsequent competitions. As a note and due to his objection to American step-by-step models of advertising effectiveness, King wrote the judging criteria not in a structured but free form. Although he divided the criteria into four sections some of which had subsections, none of them could be called 'checklists'. The four sections consisted of:

- 1) The award is for demonstration
- 2) Advertising's contribution to launching new brands
- 3) Advertising's contribution to the successful establishment of a new brand

## 4) Analysis of entries.

(Broadbent, 1981)

The first section was general judging criteria; the second and the third ones were the judging criteria for new products and established products respectively; and the fourth one was the summary of the preceding three sections. In the 1982 competition, Broadbent kept using King's judging criteria (Broadbent, 1983). In 1984, King wrote another note that focused more on the judging criteria for new products. In 1986, he summarised the criteria to another note. Channon, the judge convenor of both competitions, quoted King's notes in full and circulated them among the judges (Channon, 1985, 1986). Feldwick copied King's third note word-by-word and used it as the judging criteria in the 1988 competition. He then adapted King's judging criteria into "Notes for Judges" for the 1990 competition (Feldwick, 1990, 1991). The Notes for Judges were used by Baker in 1992 and 1994 and by Duckworth in 1996 (Baker, 1993, 1994; Duckworth, 1997). Feldwick's Notes for Judges seemed to be influenced by not only King's freestyle writing but also his ideas. Main issues from the Notes for Judges could be summarised as follows:

- 1) the convincingness of the case
- 2) the difficulties of the arguments
- 3) the link between intermediate and sales effects
- 4) the clear language and presentation

(Feldwick, 1991)

In the section of general judging criteria of King's first note, he stated that he would look for "a *convincing demonstration* that advertising has worked" (Broadbent, 1981: ix). 'Convincing' seemed to be a key word for judging criteria as he emphasised it

more than once and it was also cited by Feldwick. “What the judges were looking for and what they found was *a convincing argument* based on the interpretation of many different forms of research” (King, 1983). Interpretation was not in the domain of positivism but was a key characteristic of social constructivism. Convincingness was one of the main criteria to assess data analysis in the sociological qualitative approach. The validity of interpretation depended on the evidence, for example, what evidence the researcher acquired and where it came from, i.e. the backgrounds or sources of evidence. Then, it was considered how the researcher knitted every piece of evidence together to explain the story systematically and reasonably. Convincingness did not mean only how the researcher could convince himself/herself but also other people. To convince other people, the researcher had to consider whether there were alternatives that could explain the event. The researcher might have looked for other negative cases to create counter-arguments which made his/her arguments stronger. It was a way to show the rigour of analysis. The process of evaluating sociological qualitative research was like “making the case for the prosecution or defence in a court of law” (Mason, 2007: 200).

What Mason described reflected not only the judging criteria but also the entry requirements of the Awards. During the stage of data collection in the qualitative research, the researcher gathered relevant and reliable evidence. During the stage of data analysis, the researcher interwove pieces of evidence into arguments and finally a convincing story. By the same token, writing an Awards entry was not just writing a narrative or descriptive essay. But the essay had to be argumentative and explanatory. “It is not just about writing style. It is about making ... a legal case ... for the prosecution or the defence,” said Chris Baker (Interview 23 June 2005). Entrants needed a skill of barristers or lawyers (Baker, Interview 23 June 2005; Broadbent, Interview 4 July 2005). Convincingness, in Baker’s view, did not mean what was right or wrong but circumstantial. Tim Broadbent (Interview

4 July 2005) explained that it was about the probability of truth. Nobody knew what had actually happened. But the entrants had to convince the judges that their stories were likely to be true. And the judges judged which case could demonstrate that advertising was more likely to have an effect than other cases. Baker (Interview 23 June 2005) added that it was impossible to say that advertising had an effect on sales with 100% proof because sales could also be influenced by other factors. Although the method of making the legal case sounded subjective, it was better than the objective process which did not prove anything but was just a list of things. Baker's idea was consistent with King's concept of Old Science. The objective process aimed at collecting facts that did not help understand how advertising worked. The subjective process of qualitative research was different because it was not only gathering evidence but also creating arguments into a story. Interweaving all pieces of evidence was like playing jigsaws. "The pieces of the jigsaw to be fitted together are the data from the separate sources already chosen," said Simon Broadbent (1989: 173 – 174). The concept of jigsaws was also cited by Channon (1985) when he was the judge convenor in 1984. He had to explain more what Broadbent had explained in 1980 and 1982 as entrants did not seem to understand the entry requirements and judging criteria. Most of the entrants thought that proving advertising effectiveness by econometric modelling was sufficient for entering the Awards but the Awards committee required more than that.

What the Awards committee expected from the entrants was proving the causal relationship between advertising and sales. Generally, the best scientific method to prove the causality is experiments. But, as described in Chapter 5, British agency people found AMTES, a research service using market experiments, incompatible with the British market circumstances. They did not have an area isolated enough to give the valid results from the field experiments. Moreover, field experiments need two groups of people – the

experiment and control groups – to compare the results. The control group is added in order to see what would have happened if the clients had not advertised. But in the real business practice, most advertisers have the only chance to decide whether or not to advertise. If they decide not to run the advertising campaigns, they will not know the results. But if they decide to run the campaigns, they have no control group to compare with the results of running the campaigns (Broadbent, 1997). Not only do the methods used in experiments not work in the eyes of the agency people, but the concept of causality based on experiments seems unreasonable to them as well. First, it indicates the linear relationship between two variables; that is, X causes Y. But from the agency people's experiences in market research, particularly in JWT, Y may cause X. For example, it was believed that attitudes cause behaviour. But the JWT people found that behaviour may cause attitudes. Positivist causality sees people as mechanism. But in real life, people do not react to the stimulus as a straight line. The metaphor "People are not billiard balls" is used by McDonald (1993), a King's colleague at JWT, and Miles and Huberman (1994), sociological qualitative researchers. Causality is complex and should be studied in a form of networks. Second, according to Miles and Huberman (1994) positivist causality tells the researchers what happened and whether it happened. But it does not tell them how and why it happened. Their view is consistent with Broadbent, McDonald, King and Channon in the previous chapter. Sometimes, the relationship between causes and effects cannot be logically proved. But it can be convincingly inferred (McDonald, 1993).

Failure of using the market experiments and the impractical concept of positivist causality urged the British agency people to find a new way to prove the causal relationship between advertising and sales. In Chapter 5, the American practitioners used econometrics as a preliminary analysis to filter the independent variables less relevant to



sales. Then, they put the more relevant variables into the experiment and observed which ones affected sales. They used ANOVA as the statistics for data analysis. But ANOVA did not work for AMTES. That was why Broadbent used econometrics for AMTES data analysis which did not work either. The British agency people had to go back to the preliminary stage of proving causality: econometrics. The American practitioners used econometrics before conducting experiment. The British practitioners therefore started with econometrics but had to find some other method to replace experiments. They came up with the sociological qualitative research. As a result, the process of proving causality in the IPA Awards began with econometrics. Econometrics indicates the correlation between variables but not the causal relationship (Broadbent, Interview 4 July 2005). The entrants had to use econometrics to disentangle several independent variables to see which ones were more related to sales. Then, they put the more relevant variables into sociological qualitative analysis to explain the causality. In some cases, if all of the independent variables remained unchanged except advertising, the entrants could conclude immediately that advertising caused sales. In these cases, econometrics was unnecessary. However, these cases rarely happened in general situations. In most cases, after the entrants analysed the correlations between variables by using econometrics, they used the method called argument by elimination to prove causality. Argument by elimination started with considering each relevant independent variables, for example, advertising, price, distribution and weather. Then, the entrants had to give a plausible reason why this variable was not supposed to be the real cause of sales. That is, they had to explain why price was not the real cause, why distribution was not and why weather was not. The entrants eliminated other relevant variables until advertising was the only residual. And they finally concluded that advertising caused sales (Baker, 1995; Broadbent, 1997). The method of argument by elimination is what sociological qualitative

researchers call negative case analysis (Lincoln and Guba, 1985). Kidder (1981, quoted in Lincoln and Guba, 1985: 310) explains the process of qualitative causal interpretation:

“A single negative case is enough to require the investigator to revise a hypothesis. Then there are no more negative cases, the researcher stops revising the hypothesis and says with confidence, “This caused that.””

The hypothesis in this case means the statement ‘advertising caused sales’. It can be concluded that the Awards committee finally found the new way to prove causality by borrowing the technique of data analysis from the sociological qualitative approach.

Like the entry requirements, the judging criteria set up by King never changed for two decades of the Awards. The reasons for maintaining the same judging criteria were best described by Michael Hockney (Interview 13 July 2005):

“We did not really change the judging criteria. We were very happy with them. ... We just refined it very slightly. ... I think we kept the core idea and we had just had these things. So, we did not stop using Stephen King’s assessment and moved to [Feldwick’s assessment]. It was a development. It is just saying, “Let’s have a look at the judging criteria and let’s clarify it a bit.””

Continuing the same entry requirements and judging criteria for two decades indicated the principal purpose of the Awards in encouraging agency people to learn and develop their own advertising effectiveness theories as opposed to clients’ and research companies’ perspectives. The Awards’ purpose of learning was the consequence of the conflicts between the different groups before the Awards started. The ideology of people like Simon Broadbent and Stephen King who were key contributors of the Awards in the early years was transferred from generation to generation. Although Nick Kendall and Tim Broadbent did not indicate the entry requirements and judging criteria in their

*Advertising Works*, it could be inferred that they kept using the same entry requirements and judging criteria in the 1998 and 2000 competitions. Tim Broadbent undoubtedly adopted his father's ideas while Kendall insisted that the purposes of the Awards during his appointment as the judge convenor remained the same (Kendall, 1999). When he looked back to the origin of the Awards, he appreciated the purpose of learning and foresaw to keep it as it had been. In his view, the Awards were "a treasure house of learning" that brought together more than 400 cases. The Awards were a teaching and learning tool for agency people to make them think and improve their work. And learning meant that the knowledge had to be passed on to other people, not only agencies but also clients. For him, it was the major challenge for the Awards to pass on the value of learning to clients (Kendall, Interview 14 September 2005).

### **Distorted Values of Learning**

The means of proving advertising effectiveness in the IPA Awards can be regarded as distinction. Compared with the US where the practitioners still separate the evaluation between the media and message parts of advertising, the Awards can blend both parts of advertising together well. They demonstrate the good combinations not only between media and message parts of advertising, but also between the sales effects and communication effects of advertising, between the quantitative and qualitative approaches and between science and art. On the scientific side of advertising, econometrics is used. It is the quantitative approach used in measuring the sales effects of advertising. It is the knowledge from media planning which is the media part of advertising. On the artistic side of advertising, the method of argument by elimination based on the sociological qualitative data analysis is used. It has the wide concept than the general qualitative

research used in the strategy or creative development stage such as group discussions or in-depth interviews. It allows account planners to explain how and why advertising works which is what the agency people want to know when measuring the communication effects of advertising. It also allows them to provide the rich information about how the creative ideas generate not only the communication effects but also the sales effects of advertising. It means that the agency people do not need to limit themselves to measuring the communication effects when talking about creativity. By the method of argument by elimination, the account planners can demonstrate the effectiveness of advertising strategy. It is the advertising strategy that did not really exist because it had been separated into the media strategy and the creative ideas for years. It is the first time that in the Awards the account planners can demonstrate how the real advertising strategy causes sales within a single paper.

It seems that the Awards have numerous merits, particularly in terms of academic development. Unfortunately, the Awards committee has not informed the agency peers about their merits. In fact, it did. But its explanations of academic merits were unclear and more likely to be persuasive and scattered than structural academic knowledge. The econometric part contributed by Simon Broadbent is relative clear. And most of the Awards entrants seem to understand that econometrics is involved in the Awards. But the method of argument by elimination is unclear among most agency people. Stephen King only said that his judging criteria are based on the convincingness of the arguments without mentioning social constructivism. Perhaps, it might be because he still believes in scientific experimentation. Although he chooses the New Science rather than the Old Science, but both of them are positivist science. It might also be because clients still believe in positivism which is the basis of business management and the managerial school of marketing. As the sociological qualitative approach based on social

constructivism rejects positivism and proposes the new paradigm, the clients may deny the Awards if the Awards announce that they use the social constructivist concept.

The result of the unclear explanation is that there is only a certain group of agency people who understand, appreciate and adopt the Awards' method of evaluating advertising. They are those who know Simon Broadbent and Stephen King personally. They circulate Broadbent's and King's ideas within the group and recruit some other people who interest them to join the Awards. The group can be divided into two subgroups: JWT and BMP. In the group of JWT, people who have been trained in JWT inevitably learn King's concept and research application. Charles Channon, for example, worked at BMRB, the JWT subsidiary research company, in 1961 as a researcher. Then, he moved to JWT as an account director in 1970. Another person is Michael Hockney. He worked at JWT in 1972 as an account planner under King's supervision. Then, he moved to BMP in 1975. In the group of BMP, Tim Broadbent is the mediator. As Simon's son, he disseminates his father's idea of proving the sales effects of advertising to his colleagues. He worked as a researcher in 1974 at Beecham where Nick Phillips was his boss. Two years later, he moved to BMP where he met Paul Feldwick. Feldwick worked at BMP from 1976 as a graduate trainee and then an account planner until retired.

During the 1980s, the Awards were under the management of these JWT and BMP people. Hockney was the VAC chairman from 1984 to 1992. King was a judge from 1980 to 1986. Phillips was another judge in 1982 – 1986. Channon was the judge convenor in 1984 and 1986 and one of the judges in 1988 and 1990 when he was the director of studies at the IPA. Feldwick was trained by Channon when he was the judge convenor in 1988 and 1990. He was also trained by Simon Broadbent as to using the economic concept to analyse the data. During the 1990s, these people still influenced the Awards. Phillips became the director of the IPA and helped the Awards as a VAC

member in 1992 – 1994. Feldwick trained Chris Baker who was the judge convenor in 1992 and 1994. His involvement in the Awards continued until 1996 as a VAC member. Tim Broadbent participated in the Awards as an entrant and helped other entrants to write the papers in 1982, 1986 and 1992 – 1998. He then was the judge convenor in 2000 before the Awards were changed into the marketing communication effectiveness award scheme. These people were also responsible for recruiting some young talented account planners to join the Awards, for example, Gary Duckworth who was the judge convenor in 1996. He was the planning director of Duckworth Finn Grubb Waters (dfgw), a British hot-shop agency. He had worked at Abbott Mead Vickers (AMV) where Leslie Butterfield was his boss during the early 1980s. Butterfield knew Hockney as they set up the agency Butterfield Day Devito Hockney (BDDH) in 1987. Nick Kendall, the judge convenor in 1998, was the planning director of Bartle Bogle Hegarty (BBH), another hot-shop agency during the 1990s. He won the First Prize for the Häagen-Dazs campaign in 1992 (Broadbent, Interview 4 July 2005; Duckworth, Interview 30 June 2005; Feldwick, Interview 28 June 2005; Hockney, Interview 13 July 2005; Phillips, Interview 29 June 2005).

The fact that the JWT and BMP people were the main groups that guide the direction of the Awards leads to the fact that both of the agencies won more prizes than other agencies. It can be shown as the following table:

Table 7.1

Agency	Awarded Entries	Unawarded Entries	Total Entries
Boase Massimi Pollitt (BMP)	56	13	69
J. Walter Thompson (JWT)	34	29	63
Bartle Bogle Hegarty (BBH)	22	11	33
Lowe Lintas	20	6	26
Abbott Mead Vickers (AMV)	17	8	25
Saatchi & Saatchi	17	27	44

Source: *Advertising Works – Advertising Works II*; World Advertising Research Center

It can be said that BMP and JWT submitted more entries than other agencies. And it might be the reason why they had more chances to win a prize. Interestingly, while both of the agencies submitted the nearly equal numbers of entries, BMP won more prizes than JWT. Meanwhile, Saatchi & Saatchi, the biggest agency according to its billings during the 1980s and the first half of the 1990s, was more likely to have unawarded entries than awarded entries. BMP won not only more prizes but also better prizes. It can be shown as the following table:

Table 7.2

Year	Top-Three Agencies by Prize Quality		
	First Rank	Second Rank	Third Rank
1980	D' Arcy-MacManus & Masius	- Davidson Pearce - Boase Massimi Pollitt Univas Partnership	J. Walter Thompson
1982	Boase Massimi Pollitt Univas Partnership	Leo Burnett	J. Walter Thompson
1984	Boase Massimi Pollitt Partnership	J. Walter Thompson	- Foote Cone & Belding - Gold Greenlees Trott
1986	J. Walter Thompson	Doyle Dane Bernbach	- DFS Dorland - Gold Greenlees Trott
1988	BMP Davidson Pearce	Ogilvy & Mather	J. Walter Thompson
1990	BMP DDB Needham	- Butterfield Day Devito Hockney - J. Walter Thompson	Bartle Bogle Hegarty
1992	BMP DDB Needham	J. Walter Thompson	Bartle Bogle Hegarty
1994	Bartle Bogle Hegarty	- WCRS - Saatchi & Saatchi - SP: Lintas	BMP DDB Needham
1996	BMP DDB	Abbott Mead Vickers BBDO	WCRS



Year	Top-Three Agencies by Prize Quality		
	First Rank	Second Rank	Third Rank
1998	BMP DDB	Young & Rubicam	Saatchi & Saatchi
2000	Lowe Lintas	BMP DDB	BDH TBWA

Source: *Advertising Works – Advertising Works 11*

The first rank included the agencies that won the First Prize or Gold while the second and third ranks included the agencies that won the Second Prize or Silver and Third Prize or Bronze respectively. It is surprising that before the Awards started, JWT was the source of advertising research such as the Advertising Planning Index and Target Group Index. And when the Awards started, they had King as one of the influential judges. But it was BMP that was making the better performance than JWT during the two decades of the Awards. JWT was active in the early days of the competitions. But it changed the management team several times which resulted in the loss of intellectual leadership (Phillips, Interview 29 June 2005). And it gave the opportunity to BMP to take the lead in the Awards. BMP in fact was not interested in the Awards before. But when Damian O'Malley won the First Prize in the first competition, BMP become very keen on them. O'Malley (Interview 2 August 2005) said that he was the only person from BMP that entered the first competition because of his personal motivation. But he found himself work on the preparation for the competition with very little help from the agency. He had to lobby his boss quite aggressively that he would pay for the entry until the agency finally decided to pay for it and allow him to enter the competition. After the first competition, James Best and Tim Broadbent won the Grand Prix for BMP. Since then, BMP has become renowned as the agency of advertising effectiveness.

When Pollitt was alive, he had the policy to recruit young graduates from various social sciences such as economics and psychology from the universities into BMP. They were trained as account planners in the BMP style. What Pollitt taught was not as much concerned with advertising effectiveness as the qualitative pre-testing that helped the strategy or creative development. It is surprising that BMP, after Pollitt's death, was eager to develop their knowledge of advertising effectiveness while doing qualitative pre-testing has become the fashion of other agencies. As BMP has become the leader of measuring advertising effectiveness, it has been producing the brilliant people who can disseminate the BMP's methods of advertising evaluation to other agencies. For example, Leslie Butterfield had been trained at BMP before he set up his own agency, BDDH. Even Tim Broadbent, when he moved out of BMP, has taken the BMP style of measuring advertising effectiveness to the agencies he joins (Phillips, Interview 29 June 2005).

There are two factors that affect the success of the other agencies if they decide to adopt the BMP knowledge of advertising effectiveness. First, the agencies must have the very clever account planners who are so omniscient that they can be called the superplanners. They must know economics, psychology and other social sciences as well as advertising and marketing. They must be the experts in both quantitative and qualitative research. "The actual intellectual process is not easy to copy," said Phillips (Interview 29 June 2005). Second, the agencies must build the organisational culture of advertising effectiveness. The agencies' managing directors have to provide sufficient supports including time and resources into learning advertising effectiveness. And they have to encourage every account planner in the organisations to develop the knowledge of advertising effectiveness. Ultimately, it is only the BMP that acquires both high-quality staff and full supports from the agency executives. "BMP has the very well-established and ingrained culture of effectiveness. ... It is the only agency that is genuinely, honestly

and really mind about the effectiveness,” said Joanna Bamford (Interview 17 August 2005). She had been trained at BMP before winning the Grand Prix for Lowe in 2000. The account planners who have been trained at BMP are inevitably influenced by the agency’s knowledge of advertising effectiveness. The BMP account planners spend most of their time thinking and discussing the effectiveness. The agency executives also give their staff many supports. They allow their account planners to submit as many papers as possible to the Awards. They train the junior account planners to write the papers. They know which campaign is good enough to win a prize. “It is like in their blood,” said Bamford (Interview 17 August 2005). As they build in the concept of effectiveness in their routine job, it is easier for BMP to win a prize in the Awards. They have the data ready at hand; therefore, they do not need to take much time for the preparation before the competitions. The IPA Awards are part of the BMP culture (Stewart-Hunter, Interview 26 July 2005).

Unlike BMP, other agencies do not have the culture of effectiveness. Lowe, for example, focuses on the creativity of advertising rather than effectiveness. Like Saatchi & Saatchi, Lowe brands itself as the agency of creativity. Creativity becomes the agency culture which is difficult to change, particularly if the people who want to change it are account planners. It means that although the account planners want to learn advertising effectiveness, they cannot be successful because of the different agency culture. The agency executives do not see the benefits of entering the Awards. And they do not care about the effectiveness. Therefore, they do not want to invest their time and resources to support the account planners in writing the papers. Both Lowe and Saatchi & Saatchi are more interested in the creative awards than the IPA Awards. They might be interested in the Awards if they think that they have an advertising campaign good enough to win a prize. The situation in other agencies is unlike BMP. In BMP, the account planners have

their routine job in planning and evaluation. Therefore, they do not have a problem to rush themselves in writing the papers. By contrast, other agencies' account planners have their routine job in planning only, not evaluation. When the Awards competition comes close, they show their enthusiasm for entering the Awards. It becomes a big deal for both the executives and account planners to prepare themselves for the competition. That is the reason why it is difficult for other agencies' account planners to write the papers. And the Awards are seen as a tough competition (Bamford, Interview 17 August 2005; Stewart-Hunter, Interview 26 July 2005; Clifton, Interview 19 August 2005).

The creative awards become an alternative of the IPA Awards. They are probably more popular than the IPA Awards. Clients like David McNair (Interview 16 August 2005) assert that they are more interested in the effectiveness awards than the creative awards because the clients always consider the bottom-line first. The agency people seem to disagree with their words. Basically, the creative awards are designed for the creative people. They are the award scheme to demonstrate the creative people's expertise i.e. creativity. The effectiveness awards, on the other hand, focus on the effectiveness which is the matter of the whole agency. The judgement in the creative awards is subjective while that in the effectiveness awards is more objective, based on the evidence of effectiveness (Bullmore, Interview 9 August 2005; Rimini, Interview 25 July 2005; Clifton, Interview 19 August 2005). Unlike the EFFIE Awards, the IPA Awards do not consider the contribution of creativity to effectiveness. It is because considering creativity may distract the judges' attention to focus more on the creativity than the effectiveness. Therefore, the creative works are not the necessary material submitted to the IPA Awards (Phillips, Interview 29 June 2005; Hockney, Interview 13 July 2005). The agency executives often use the creative awards to impress a new client. They can claim that the creative awards represent the agency because creativity is the product of the agency. In

contrast, the account planners who wrote the papers of the campaign effectiveness cannot do that because the effectiveness is the consequence of the product, not the product itself. The agencies must have both creative awards and effectiveness awards not because they stand on the different positions but because the agencies need an alternative award scheme to avoid criticism. If the clients blame the agencies for their incompetence of creativity, the agencies will have the effectiveness awards to prove the success of their campaigns. And if the clients blame the agencies for their incompetence of advertising evaluation, the agencies will have the creative awards to honour their creativity (Feldwick, Interview 28 June 2005; Angear, Interview 10 August 2005; O'Donoghue, Interview 25 July 2005).

Clients are often interested in the creative awards because of their currency. They are more likely to choose the agencies that won the creative awards than those that did not (Bamford, Interview 17 August 2005; Duckworth, Interview 30 June 2005). The account planners who organised the IPA Awards have the different opinions towards the creative awards. Feldwick (Interview 28 June 2005) sees that the creative awards would damage the whole advertising industry. They are fads and fashion that destroy the credibility of the advertising industry because their judgement is based on personal subjectivity, not objective proofs. On the contrary, Kendall (Interview 14 September 2005) sees that the creative awards encourage the agency people to improve the quality of their work. Both creative awards and effectiveness awards help each other in the quality development. This is a small friction within the account planning community that shows the different interpretations of account planners' job. Feldwick's opinion reflects the R&D function of account planning because he focuses on the value of learning, that is, the academic development of advertising. In contrast, Kendall reflects the marketing function, which is not the job of account planners, because he focuses on the competitive advantage of the

Awards in the award market. There is a tendency that the account planners and people who manage the Awards use the marketing concept to promote the Awards. Pringle (Interview 22 July 2005), for instance, adjusts the strategy of the Awards in order to compete with other award schemes such as more publicity and making the Awards internationally by introducing them to other countries. He positions the Awards as the high-quality effectiveness award scheme as opposed to the creative awards which dominate the market. Alison Hoad (Interview 3 August 2005), the deputy convenor of judges in 2002, who had the background in the client companies, said that she had to overhaul the Awards. The Awards before 2000 was old-fashioned and boring in the eyes of young account planners. She suggested adding the creative ideas into the IPA Awards in order to refresh the young planners. It seems that the more progress the IPA Awards makes, the more remote they are from the original value of learning.

The more direct competitor than the creative awards is the EFFIE Awards. They are not well-known among the clients and creative people (McNair, Interview 16 August 2005; Bullmore, Interview 9 August 2005). But it is very well-known among the agency people who participate in the IPA Awards. These British agency people all agree that the EFFIE Awards have the lower standard than the IPA Awards in many ways. They are superficial and simplistic in both the Euro EFFIEs and the US EFFIEs. It is easier to win a prize in the EFFIE Awards than the IPA Awards. The reason is that the EFFIE Awards do not require the robust evidence and the rigour of analysis as much as the IPA Awards. The EFFIE Awards do not use the convincingness of arguments as the judging criteria as the IPA Awards do (Baker, Interview 23 June 2005; Feldwick, Interview 28 June 2005; Olsen, Interview 22 June 2005; Angear, Interview 10 August 2005; Pringle, Interview 22 July 2005; Clifton, Interview 19 August 2005). As stated earlier, the convincingness of arguments can be compared with the way that the lawyers use in the courts. The legal

process needs the forensic evidence. It also requires the sophisticated ability to analyse the data and the extensive background of advertising effectiveness theories. In the EFFIE Awards, the level of proof is low. The entrants only prove that they advertised and then sales went up. They do not need to disentangle the advertising effects from other marketing elements and then explain the causal relationship between advertising and sales. Generally speaking, the EFFIE Awards are in the different league from the IPA Awards (Clifton, Interview 19 August 2005). “They are like the high school which has the O-Level and sixteen-year-old. They are like the sixteen-year-old who is taking the university degree,” said Baker (Interview 23 June 2005). He had an experience in judging the EFFIE Briefs. He found that the EFFIE judges used emotion to judge the Briefs. Because the EFFIE Awards required very little evidence, the judges had to pay less attention to the proofs and concentrate more on the creative works. As the EFFIE Awards aim at the contribution of creativity to the effectiveness, it is easy for the judges to consider the creativity rather than the effectiveness. The EFFIE Awards are the demonstration of excellent creative works with ordinary results while the IPA Awards are the demonstration of excellent results.

Consequently, the IPA Awards are perceived as the gold standard for measuring advertising effectiveness by the British agency people. The Gold prizes in the EFFIE Awards are not as valuable as the IPA Awards (Angear, Interview 10 August 2005; Pringle, Interview 22 July 2005). Some account planners such as Baker (Interview 23 June 2005) and Kendall (Interview 14 September 2005) who appreciate the value of learning in the IPA Awards believe that it is the British culture that emphasises the intellectual excellence. Therefore, the IPA Awards have become the national culture of effectiveness that cannot be found anywhere in the world. The US or even the European countries are less developed than the UK in terms of the maturity of advertising. During

the transition period of 2000 – 2002, the IPA almost reduced the rigour of the Awards to make them easier for the entrants. However, the Awards committee finally decided to retain the value of learning as they had been. It was because the committee felt that the Awards had lost their intellectual ability. And it should be retrieved to make the British industry proud of the value (Rimini, Interview 25 July 2005). However, it does not mean that every account planner appreciates the IPA Awards. For example, Mo Fisher (Interview 22 August 2005), who entered the IPA Awards for more than three times but won only the certificate of commendations, prefers to enter the EFFIE Awards. She gives the reason that the EFFIE Awards are not as intensive as the IPA Awards. Another merit is that the EFFIE Awards put great emphasis on creativity when they judge the Briefs. The IPA Awards are full of numbers. The EFFIE Awards also allow the entrants to submit other cases than advertising such as below-the-line activities. After she won the Silver from the EFFIE Awards, she insists to enter the EFFIE Awards with the reason that they are more international. Most of the clients have the multi-national businesses. The EFFIE Awards therefore are more famous among the clients than the IPA Awards.

It seems that it is a good idea to retain the value of learning. However, as stated earlier, because the IPA Awards committee cannot elaborate the details of it, the Awards tend to put more effort on ‘marketing’ the Awards. Pringle (Interview 22 July 2005) has to plan some strategy to compete with the EFFIE Awards, for example, promoting the IPA Awards internationally. The EFFIE Awards are popular in many countries because of their ease. The EFFIE committee franchises its award scheme to other countries. They serve the agencies’ purpose of competition and gaining a new client. The IPA is disadvantageous in that the purpose of their award scheme is not commercial but rather learning. What it can do is disseminating the concept of measuring advertising effectiveness in the IPA Awards’ style to other countries. And then, those countries create



their own brand of the effectiveness awards such as titles and logos. Another obstacle is that the papers must be written in English which does not match the requirement of other countries whose native languages are not English (Olsen, Interview 22 June 2005). Perhaps, the policy of marketing the Awards might not be as successful as the Awards committee expected. As long as the account planners cannot exactly define their job, which is the R&D function rather than the marketing function, there will always be some account planners who prefer to enter other awards schemes than the IPA Awards.

It seems that the purpose of the Awards that encourages agency people to learn advertising effectiveness has been distorted. The IPA Awards have become a tool of “marketing the agency” (Duckworth, Interview 30 June 2005; Bamford, Interview 17 August 2005). They are compared with other award schemes in the award market such as the creative awards and the EFFIE Awards. It reflects the fact that the agency people, particularly the account planners, still believe in the concept of advertising as a marketing tool. The real value of the Awards that attempts to prove the effectiveness of advertising, not marketing, has not been recognised by the agency people. And that is one of the reasons why clients do not believe in the methods of proving advertising effectiveness in the Awards. The unclear definition of advertising by the agency people before the beginning of the Awards has had a great impact on the Awards themselves. People who contributed to the Awards during the two decades still have no idea why the Awards cannot convince the clients of advertising effectiveness (Broadbent, Interview 4 July 2005; Pringle, Interview 22 July 2005; Clifton, Interview 19 August 2005).

## Conclusion

### Summary

The story of the IPA Awards reflects the paradoxical concept in defining advertising. Typically, advertising is conceived as one of the marketing tools. But the intrinsic value of the Awards is to illustrate advertising as communication which is the real nature of advertising. The Awards are the British invention that argues against the American ideology of advertising effectiveness. Before the Awards started in 1980, the British agency people were dissatisfied with both of the measures and methods used in measuring advertising effectiveness. They are all based on positivism that is also the ground of the marketing discipline under which marketers sees advertising as a marketing tool. Under the positivist concept, the relationships between the research measures are linear, simplistic and mechanistic, for example, the hierarchy-of-effects models. The research methods are scientific such as surveys and experiments. From the British agency people's experiences, the positivist measures and methods did not help the development of advertising. Positivism separates the media part from the message part of advertising. It separates the evaluation of advertising in terms of the sales effects from the communication effects. As a result, the British agency people had to find a new way of proving advertising effectiveness that reflected the nature of advertising, that is, advertising as communication. They gathered the bodies of knowledge from various social sciences such as economics, psychology and sociology in order to define advertising as communication and constituted a new form of measuring advertising effectiveness.

Eventually, they found social constructivism the more pertinent paradigm to present advertising as communication. They used the method of argument by elimination which is based on the social constructivist method of data analysis called negative case analysis. Argument by elimination replaced market experiments in explaining the causal relationship between advertising and its effects. The validity of the method relies on the convincingness of the arguments. The British agency people also used econometrics as the preliminary analysis before the explanation of causality was employed. The purpose of using econometrics is to make sure that it is the advertising, not other marketing elements, that causes the effects. Although the Awards claim that they aim at demonstrating the sales effects of advertising, the evaluation methods used in the Awards yield more benefits than ever thought. They demonstrate how advertising generates not only the sales effects but also communication effects. They blend both the media and message parts of advertising, both quantitative and qualitative approaches, and both science and art together within one explanation. And it can be said that this phenomenon have never happened in the US.

Unfortunately, the Awards committee do not realise the Awards' intrinsic value. The British agency people who contribute to the Awards have never declared it. One of the reasons is that they still believe in the tradition of advertising as a marketing tool. Another reason is that marketers are the agencies' clients. If they announce that they are adopting social constructivism which rejects the marketers' positivism, it might affect their business. As a result, the Awards committee let the agency peers and the clients interpret the Awards arbitrarily. It might be a good idea, according to the epistemological background of social constructivism, to allow the different interpretations. However, it is not a good idea for creating the integrity within the advertising industry. In the client companies, the marketers who believe in the positivist concept of marketing mix do not

pay much attention to the Awards. They do not care how to integrate the media and message parts of advertising together. They have the campaign evaluation provided by research companies that tend to conduct the quantitative scientific research if requested by them. The research companies are not interested in the campaign evaluation that helps the advertising development as appearing in the Awards. They are the experts in research techniques, not advertising or marketing theories. The agency peers do not perceive the intrinsic value of the Awards or even the value of learning. One of the factors is that the account planners most of whom are the Awards' participants cannot identify the unique position of themselves. Another factor is the gradual changes in the agency structure and remuneration system. They have made the agency people unable to retain the combination of the media and message parts of advertising.

Ultimately, the majority of agency people who participate in the Awards as the entrants do not as much appreciate the value of learning advertising effectiveness as those who contribute to and manage the Awards as the judges or the members of the Awards committee. The account planners might enjoy exercising their academic skills in the Awards. But they do not aim at developing the advertising theories as much as those who manage the Awards. Broadly speaking, the account planners, either the entrants, the judges or the VAC members, do not conceive their role as the advertising representatives. They subsume themselves under the marketing discipline whereas the account executives are doing the marketing job in the agencies. The fact that the account planners allow the agencies' boards of directors to use the Awards as a tool for marketing the agencies reflects their inability to differentiate advertising from marketing. It also reflects the fact that the agency people in general cannot define themselves as 'advertising' but rather a tool of marketing.

### **Limitations of Study and Suggestions for Future Research**

The content of the thesis is the historical account that aims at explanation rather than mere description. Explaining the series of historical events is explaining the chain of the events. The preceding event is the cause of the current event. And the current event is the cause of the next event. At each event, the relevant contexts are required in order to give the reader a clearer picture of the event. The contexts are the circumstantial factors that influence the event in addition to the preceding event. However, there are some events in the thesis that are explained without the circumstantial factors involved. It is because the limited time of study and the fact that no piece of evidence concerning the context of the event can be found. It means that there are some points that the causal relationships between the preceding events and the current events or between the current events and the next events are linear. For example, building the arguments to convince the reader that the Awards contributors employ social constructivism indicates the linear relationship. The hypothesis is that the Awards early contributors had the social constructivist concept before the Awards started. Among the Awards contributors, Charles Channon was the only person who explicitly mentioned the difference between positivism and social constructivism. However, there are some pieces of indirect evidence showing that some JWT people, although they were not directly involved in the Awards, had some ideas similar to social constructivism, for example, Judie Lannon and Colin McDonald. At the same time, there is no other explanation why the Awards contributors chose the method of argument by elimination and the convincingness of the arguments as the judging criteria. Therefore, it is plausibly concluded that the Awards employed social constructivism.

The limitation of the study leads to the suggestions for future research. There are a few possible topics suggested for the future research projects. The first topic is concerned with how the agency people have been applying social constructivism to the areas of advertising. Social constructivism recently becomes an alternative research interest for marketing researchers. But it is still subsumed under the positivist concept of marketing management. The best way to study the advertising application of social constructivism is leaving the concept of marketing management and collecting the data directly from the agency people. The second topic is concerned with the position of account planning. The hypothesis proposed in the thesis is that the account planners are the advertising representatives. Again, the researchers should abandon the concept of marketing management before conducting the research. The third topic is involved with the IPA Awards themselves. Analysing the IPA entries from 1980 to present might give some insight about the pattern of advertising evaluation specifically used in the Awards. The Awards' pattern might reflect the advertising people's style of measuring advertising effectiveness.

## Appendix A

### Interviewee List

<u>Name</u>	<u>Position and Organisation</u>	<u>Date and Time</u>
Mr. A	Planning Director, Leith Agency	30 April 2004, 12.00
Angear, Bridget	Deputy Head of Planning, Abbott Mead Vickers. BBDO	10 August 2005, 16.00
Baker, Chris	Planning Director, TBWA\London	23 June 2005, 14.30
Bamford, Joanna	Freelance	17 August 2005, 15.00
Barwise, Patrick	Professor and Chair of Marketing Faculty, London Business School	14 July 2005, 16.00
Binet, Les	Director of DDB Matrix, DDB London	13 July 2005, 15.30
Brady, John	Director, McKinsey & Company	11 July 2005, 14.00
Broadbent, Tim	Managing Director, BrandCon	4 July 2005, 15.30
Bullmore, Jeremy	Advisory Board Member, WPP	9 August 2005, 15.30
Clifton, Rita	Chairman, Interbrand Newell & Sorrell	19 August 2005, 16.00
Duckworth, Gary	Owner, Paths With Heart	30 June 2005, 16.00
Duckworth, Simeon	Director of Future Group, MindShare Media UK	21 July 2005, 15.00
Farr, Andy	Director of Group, Millward Brown	15 July 2005, 15.00
Feldwick, Paul	Executive Planning Director, DDB London	28 June 2005, 15.00

<b><u>Name</u></b>	<b><u>Position and Organisation</u></b>	<b><u>Date and Time</u></b>
Fisher, Mo	Planning Director, Saatchi & Saatchi	22 August 2005, 10.30
Hoad, Alison	Managing Director, Rainey Kelly Campbell Roalfe / Y&R	3 August 2005, 17.00 8 August 2005 (email)
Hockney, Michael	Chief Executive, British Design & Art Direction	13 July 2005, 13.00
Kendall, Nick	Group Strategy Director, Bartle Bogle Hegarty	14 September 2005, 12.00
Lurie, Diane	Director of Brand Strategy, Merle Agency	23 July 2004, 11.00
McNair, David	Chief Executive, Food From Britain	16 August 2005, 11.00
Maile, Nigel	Financial Director, Bartle Bogle Hegarty	5 July 2005, 15.30
O' Donoghue, Dan	Worldwide Head of Strategic Planning, Publicis	25 July 2005, 14.00
Olsen, Sven	Director of Client Services Europe, FCB London	22 June 2005, 16.30
O' Malley, Damian	Executive Planning Director, McCann Erickson	2 August 2005, 15.30 18 August 2005 (email)
Phillips, Nick	Retired	29 June 2005, 14.30
Pringle, Hamish	Director General, IPA	22 July 2005, 14.00
Rimini, Marco	Director of Strategy & Development, J. Walter Thompson	25 July 2005, 17.00



<b><u>Name</u></b>	<b><u>Position and Organisation</u></b>	<b><u>Date and Time</u></b>
Stewart-Hunter, Mary	Consumer Insight Director, OMD Europe	26 July 2005, 16.00
Tylee, John	Journalist, <i>Campaign Magazine</i>	12 August 2005, 17.00

## **Appendix B**

### **Interview Guidelines**

#### **I. Interview Questions for VAC**

##### **Introduction**

- How long have you been working in the advertising industry?
- How long have you been working in this agency?
- What do you do? / What is your current position?

#### **Section I Advertising Effectiveness in the Interviewee's Own Experience**

##### **1. The Concept of Advertising Effectiveness**

###### *1.1. The Definition of Advertising Effectiveness*

- What do you understand by advertising effectiveness?

###### *1.2. WH-Questions*

- How do you measure it?
- Why do you measure it?
- When do you measure it?
- Where do you measure it?

###### *1.3. Causes of Advertising Effectiveness*

- What makes your campaign effective/successful?

#### *1.4. Consequences of Advertising Effectiveness*

- What happens after you and your client find that the campaign has been successful or failed?
- How does the success or failure of the campaign affect your business?

#### *1.5. Internal and External Factors/Environments of Advertising Effectiveness*

- What factors or environments affect the way you prove advertising effectiveness?

## **2. Messages and Media of Effectiveness Demonstration**

### *2.1. Messages: The Relationship and Comparison between Advertising Effectiveness, Other Marketing Communication Elements and Other Advertising Campaign Elements*

- Have you ever offered other marketing communication services to clients besides advertising?
- Is advertising more important than / as important as other marketing communication elements such as sales promotion, public relations, direct marketing?
- Is it more difficult or easier to prove the effectiveness of advertising than that of other marketing communication elements?
- How does advertising effectiveness relate to other advertising campaign elements such as creativity, media planning?
- Which one of these – advertising effectiveness, other marketing communication elements and other advertising campaign elements – do you use most frequently to impress your client?
- Is there anything else you use to impress your client?

## 2.2. *Media*

- How do you tell your client about your business's merits?
- What is the best way to tell your client about advertising effectiveness of your campaign?

## **Section II The Involvement of the Interviewee in the IPA (Advertising)**

### **Effectiveness Awards**

#### **1. The Origin of the Awards**

- Why did the Awards begin in 1980?
- What had happened before the Awards were established?
- What factors made a group of agency people create the Awards?

#### **2. Causes of the Awards**

- What made you participate in the Awards as a VAC?
- Why did you not participate in the Awards in other positions?

#### **3. The Interviewee's Responsibility**

- What did you do when you were a VAC?
- What did others do in the meetings in the year(s) in which you were a VAC?

#### **4. Theme of the Awards from 1980 – 2002**

- What was the theme of the Awards in the year(s) in which you were a VAC?
- Why did you use this theme in that/those year(s)?
- What do you think of it, compared with that in other years and at present?

- What do you think of it, compared with advertising effectiveness from your own experience?

## **5. The Awards Management from 1980 – 2002**

### *5.1. The Awards' Purposes*

- What were the Awards' purposes in the year(s) in which you were a VAC?
- Why did you use these purposes in that/those year(s)?

### *5.2. Entry Requirements*

- What were the entry requirements in the year(s) in which you were a VAC?
- Why did you use these requirements for the entries?

### *5.3. Entry Categories*

- How many entry categories were there in the year(s) in which you were a VAC?
- Why did you classify them like that?

### *5.4. Numbers of Entries*

- What was the number of entries in the year(s) in which you were a VAC?
- Why was it like that in that/those year(s)?

### *5.5. Judging*

- Who were the judges in the year(s) in which you were a VAC?
- What criteria did you use to select who would be the judges?
- What were the judging criteria in the year(s) you were a VAC?
- Why did you use these criteria to judge the entries?

### *5.6. Prizes and Commendations*

- How many types of prizes and commendations in the year(s) in which you were a VAC?
- Why did you divide them like that?
- Was there any difference among the prizes?
- What qualities did an entry have to have to win the Grand Prix?
- Why were some entries awarded the lower prizes such as the second prize, four-star, silver, or even the commendations?
- Why were some entries not awarded any prize or commendation?

### *5.7. The Awards' Evaluation*

- Has the IPA assessed the Awards?
- How did you evaluate it?

## **6. Consequences of the Awards**

- What happened after you had participated in the Awards as a VAC?
- How did the Awards affect your life or career?

## **Section III Other Advertising Related Awards Schemes**

### **1. Other Advertising Effectiveness Awards Schemes e.g. EFFIE, CASSIE, AFA**

- What do you think of the EFFIE, CASSIE and AFA Advertising Effectiveness Awards?
- Do you participate in these schemes?
- Why do you participate in them (or why not)?

**2. Other Advertising Awards Schemes e.g. Creative Awards, APG Awards,  
Marketing Communications Awards**

- Are you aware of other advertising awards schemes?
- What do you think of them?
- Do you participate in these schemes?
- Why do you participate in them (or why not)?

**3. The Comparison between the IPA (Advertising) Effectiveness Awards  
Management and Other Awards Management**

- How does the management in the IPA Awards differ from other awards?

## **II. Interview Questions for Judges**

### **Introduction**

- How long have you been working in the advertising industry?
- How long have you been working in this agency?
- What do you do? / What is your current position?

### **Section I Advertising Effectiveness in the Interviewee's Own Experience**

#### **1. The Concept of Advertising Effectiveness**

##### *1.1. The Definition of Advertising Effectiveness*

- What do you understand by advertising effectiveness?

##### *1.2. WH-Questions*

- How do you measure it?
- Why do you measure it?
- When do you measure it?
- Where do you measure it?

##### *1.3. Causes of Advertising Effectiveness*

- What makes your campaign effective/successful?

##### *1.4. Consequences of Advertising Effectiveness*

- What happens after you and your client find that the campaign has been successful or failed?
- How does the success or failure of the campaign affect your business?



### *1.5. Internal and External Factors/Environments of Advertising Effectiveness*

- What factors or environments affect the way you prove advertising effectiveness?

## **2. Messages and Media of Effectiveness Demonstration**

### *2.1. Messages: The Relationship and Comparison between Advertising Effectiveness, Other Marketing Communication Elements and Other Advertising Campaign Elements*

- Have you ever offered other marketing communication services to clients besides advertising?
- Is advertising more important than / as important as other marketing communication elements such as sales promotion, public relations, direct marketing?
- Is it more difficult or easier to prove the effectiveness of advertising than that of other marketing communication elements?
- How does advertising effectiveness relate to other advertising campaign elements such as creativity, media planning?
- Which one of these – advertising effectiveness, other marketing communication elements and other advertising campaign elements – do you use most frequently to impress your client?
- Is there anything else you use to impress your client?

### *2.2. Media*

- How do you tell your client about your business's merits?
- What is the best way to tell your client about advertising effectiveness of your campaign?

## **Section II The Involvement of the Interviewee in the IPA (Advertising)**

### **Effectiveness Awards**

#### **1. The Origin of the Awards**

- Why did the Awards begin in 1980?
- What had happened before the Awards were established?
- What factors made a group of agency people create the Awards?

#### **2. Causes of the Awards**

- What made you participate in the Awards as a judge?
- Why did you not participate in the Awards in other positions?

#### **3. The Interviewee's Responsibility**

- What did you do when you were a judge?
- What did others do in the meetings in the year(s) in which you were a judge?

#### **4. Theme of the Awards from 1980 – 2002**

- What was the theme of the Awards in the year(s) in which you were a judge?
- Why did you use this theme in that/those year(s)?
- What do you think of it, compared with that in other years and at present?
- What do you think of it, compared with advertising effectiveness from your own experience?

#### **5. The Awards Management from 1980 – 2002**

##### *5.1. The Awards' Purposes*

- What were the Awards' purposes in the year(s) in which you were a judge?

- Why did you use these purposes in that/those year(s)?

### *5.2. Entry Requirements*

- What were the entry requirements in the year(s) in which you were a judge?
- Why did you use these requirements for the entries?

### *5.3. Entry Categories*

- How many entry categories were there in the year(s) in which you were a judge?
- Why did you classify them like that?

### *5.4. Numbers of Entries*

- What was the number of entries in the year(s) in which you were a judge?
- Why was it like that in that/those year(s)?

### *5.5. Judging*

- Who were the judges in the year(s) in which you were a judge?
- What criteria did you use to select who would be the judges?
- What were the judging criteria in the year(s) you were a judge?
- Why did you use these criteria to judge the entries?

### *5.6. Prizes and Commendations*

- How many types of prizes and commendations in the year(s) in which you were a judge?
- Why did you divide them like that?
- Was there any difference among the prizes?

- What qualities did an entry have to have to win the Grand Prix?
- Why were some entries awarded the lower prizes such as the second prize, four-star, silver, or even the commendations?
- Why were some entries not awarded any prize or commendation?

#### *5.7. The Awards' Evaluation*

- Has the IPA assessed the Awards?
- How did you evaluate it?

### **6. Consequences of the Awards**

- What happened after you had participated in the Awards as a judge?
- How did the Awards affect your life or career?

## **Section III Other Advertising Related Awards Schemes**

### **1. Other Advertising Effectiveness Awards Schemes e.g. EFFIE, CASSIE, AFA**

- What do you think of the EFFIE, CASSIE and AFA Advertising Effectiveness Awards?
- Do you participate in these schemes?
- Why do you participate in them (or why not)?

### **2. Other Advertising Awards Schemes e.g. Creative Awards, APG Awards,**

#### **Marketing Communications Awards**

- Are you aware of other advertising awards schemes?
- What do you think of them?
- Do you participate in these schemes?

- Why do you participate in them (or why not)?

### **3. The Comparison between the IPA (Advertising) Effectiveness Awards Management and Other Awards Management**

- How does the management in the IPA Awards differ from other awards?

### **III. Interview Questions for Entrants**

#### **Introduction**

- How long have you been working in the advertising industry?
- How long have you been working in this agency?
- What do you do? / What is your current position?

#### **Section I Advertising Effectiveness in the Interviewee's Own Experience**

##### **1. The Concept of Advertising Effectiveness**

###### *1.1. The Definition of Advertising Effectiveness*

- What do you understand by advertising effectiveness?

###### *1.2. WH-Questions*

- How do you measure it?
- Why do you measure it?
- When do you measure it?
- Where do you measure it?

###### *1.3. Causes of Advertising Effectiveness*

- What makes your campaign effective/successful?

###### *1.4. Consequences of Advertising Effectiveness*

- What happens after you and your client find that the campaign has been successful or failed?
- How does the success or failure of the campaign affect your business?

### *1.5. Internal and External Factors/Environments of Advertising Effectiveness*

- What factors or environments affect the way you prove advertising effectiveness?

## **2. Messages and Media of Effectiveness Demonstration**

### *2.1. Messages: The Relationship and Comparison between Advertising Effectiveness, Other Marketing Communication Elements and Other Advertising Campaign Elements*

- Have you ever offered other marketing communication services to clients besides advertising?
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- Which one of these – advertising effectiveness, other marketing communication elements and other advertising campaign elements – do you use most frequently to impress your client?
- Is there anything else you use to impress your client?

### *2.2. Media*

- How do you tell your client about your business's merits?
- What is the best way to tell your client about advertising effectiveness of your campaign?

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- Why did the Awards begin in 1980?
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- What factors made a group of agency people create the Awards?

#### **2. Causes of the Awards**

- What made you participate in the Awards as an entrant?
- Why did you not participate in the Awards in other positions?

#### **3. The Interviewee's Responsibility**

- What did you do when you were an entrant?

#### **4. Theme of the Awards from 1980 – 2002**

- What was the theme of the Awards in the year(s) in which you were an entrant?
- What did you think of it in general?
- What do you think of it, compared with that in other years and at present?
- What do you think of it, compared with advertising effectiveness from your own experience?

#### **5. The Awards Management from 1980 – 2002**

##### *5.1. The Awards' Purposes*

- What were the Awards' purposes in the year(s) in which you were an entrant?
- What did you think of them?



### 5.2. *Entry Requirements*

- What were the entry requirements in the year(s) in which you were an entrant?
- What did you think of them?
- Who paid the entry fee for you?

### 5.3. *Entry Categories*

- How many entry categories were there in the year(s) in which you were an entrant?
- What did you think of them?

### 5.4. *Numbers of Entries*

- What was the number of entries in the year(s) in which you were an entrant?
- What did you think of it?

### 5.5. *Judging*

- Who were the judges in the year(s) in which you were an entrant?
- What did you think of them?
- What were the judging criteria in the year(s) you were an entrant?
- What did you think of them?

### 5.6. *Prizes and Commendations*

- How many types of prizes and commendations in the year(s) in which you were an entrant?
- What did you think of them?
- Was there any difference among the prizes?

- How did you feel about the prize(s) or commendation(s) you received or when you were not awarded?
- What did you think of other entries which were awarded or not awarded?

### *5.7. The Awards' Evaluation*

- Has the IPA assessed the Awards?
- What did you think of it?

## **6. Consequences of the Awards**

- What happened after you had participated in the Awards as an entrant?
- How did the Awards affect your life or career?

## **Section III Other Advertising Related Awards Schemes**

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- What do you think of the EFFIE, CASSIE and AFA Advertising Effectiveness Awards?
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- Why do you participate in them (or why not)?

### **2. Other Advertising Awards Schemes e.g. Creative Awards, APG Awards,**

#### **Marketing Communications Awards**

- Are you aware of other advertising awards schemes?
- What do you think of them?
- Do you participate in these schemes?
- Why do you participate in them (or why not)?

### **3. The Comparison between the IPA (Advertising) Effectiveness Awards Management and Other Awards Management**

- How does the management in the IPA Awards differ from other awards?

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