

A hypothesis of 'How Advertising Works' and implications for marketers and advertisers

Brian McMillan

THIS article discusses how consumers probably arrive at purchase decisions. It explains the purchase dynamics which influence the purchase of one product versus another product and one brand versus another brand within a given product category. From understanding how consumers arrive at buying decisions, a model is devised to suggest how those consumers can be approached with advertising and discusses why advertising content and style should be so different for different product categories.

COMMUNICARE also encourage contributions from the industry to ensure a two-way flow of communication between theory and practice. Especially when these contributions show how theories and models studied in the communication discipline can be applied in practice, and in its turn stimulate further research.

Over many years different hypotheses have been put forward suggesting "How Advertising Works". These hypotheses have rarely stood the test of applying to *all* advertising *all* of the time — because markets and consumers are dynamic and consumers faced with different "risks" will respond to advertising in different ways.

However many of the early hypotheses were found to have worked amongst *some* of the people *some* of the time. In attempting to find out why this was so, Dick Vaughn, Research Director of FCB Los Angeles, discovered that advertising *generally* was seen to have worked when the "risk" element in the purchase deci-



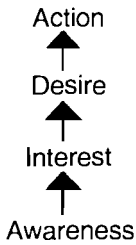
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sion had been correctly identified as well as whether the buying decision was based on product intrinsics as opposed to product extrinsics.

This led to the development of the "Strategy Planning Model" — a model based on previous consumer behavioural studies supplemented by original consumer research.

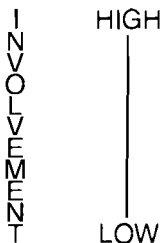
BRIAN MCMILLAN is Marketing and Research Director of Lindsay Smithers-FCB (FCB referring to Foote, Cone & Belding, one of the largest U.S. Advertising Agencies). Mr McMillan has spent more than 24 years in the Advertising & Marketing Research industry, his 11 years with Lindsay Smithers-FCB being preceded by 13 years with the A C Nielsen Company.

In developing the Model, Dick Vaughn re-traced the steps leading up to current thinking of "How Advertising Works". From the early hierarchy of effects known by the acronym AIDA:



through later hierarchies which took into account that not all consumers move from Awareness into Action. Some may circle around Awareness and Interest and never progress further. At the other extreme, some consumers move straight from Awareness into Action barely pausing in between to develop Interest or Desire. The hierarchical effects of advertising came under increasing attack as it became more apparent that not all consumers behaved the same way when buying the same product and more importantly because one single consumer could behave in different ways when buying what, in marketing terminology, were very similar products.

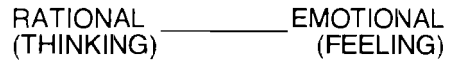
Out of this study of traditional behaviour theories, consumer behaviour models, and the theories of brain specialisation, the Strategy Planning Model evolved. The model firstly hypothesises that consumer will approach any buying decision with a lot ... a little thought, depending on the product. This degree of mental activity we call consumer involvement and express it as a vertical line (a continuum).



Key purchase dynamics which dictate whether a product is a high or low involvement are:

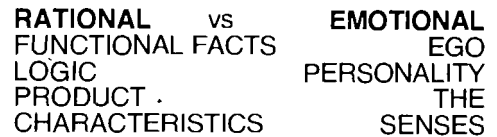
- Cost
- Risk
- Importance
- Amount of thought
- Frequency of purchase
- Complexity

Secondly the model hypothesises that, in addition to the amount of mental activity involved there will be a different type of mental activity for different products. (Brain specialisation studies suggest that the left hemisphere of the brain is likely to be involved in processing factual information, the right hemisphere in emotional information). We express this theory on a horizontal line.



We do not suggest that this line is a continuum, that some products are bought only for rational reasons or some only for emotional reasons. But, we do suggest that some products are bought mainly for rational reasons, other mainly for emotional reasons.

Key purchase dynamics dictating whether purchases are rational or emotional are:



Putting the two lines together produces the following grid with a few product categories placed on it to illustrate how we think, in real life, consumers (not all but most) need to receive information to mentally arrive at the purchase decision.

I N V O L V E M E N T	H I G H	THINKING	FEELING
		QUADRANT 1	QUADRANT II
		Houses	Perfume
		QUADRANT III	QUADRANT IV
	L O W	Household Detergents	Confectionery

The buying of a house is a high risk (financial), high cost, important decision. It requires a great amount of thought, it is complex and frequency of purchase is likely to be only two or three times in a lifetime. The buying of a household detergent, on the other hand, is a low risk, low cost, mentally unimportant decision (the product is bought virtually by rote or habit). It is a simple buying decision requiring very little thought and frequency of purchase is high.

Both these products are however bought rationally, based on what the product factually delivers for the sum of money involved.

Moving now to the buying of perfume (whether for self or as a gift) we have the same set of purchase dynamics which go into the purchase decision as we had in the case of a house purchase, but on a lower scale. The risk

element here is not financial but a risk to the ego, a status risk. Also, one of the senses is involved. The purchase decision is likely to be made on the emotional arousal or 'promise' of the product rather than the facts of the product.

Finally, the purchase dynamics which affect the buying of confectionery are likely to be similar to those affecting the purchase of a household detergent but one of the senses is once again involved, and the product is likely to be bought on impulse rather than by rote.

Because purchase dynamics differ, depending on where products are placed on the grid, the creative and media approach should, logically, be in sympathy with these dynamics. We can now move a step further and flesh out the grid with more products and creative and media implications.

	THINKING (Logic)	FEELING (Emotion)
H I G H	1. INFORMATIVE CAR — HOUSE — FURNISHINGS — NEW PRODUCTS	2. AFFECTIVE JEWELLERY — COSMETICS — FASHION APPAREL — MOTORCYCLES
	Possible Implications CREATIVE: Specific Information Demonstration MEDIA: Long Copy Format Reflective Vehicles	Possible Implications CREATIVE : Executional Impact MEDIA: Large Space Image Specials
I N V O L V E M E N T	3. HABIT FORMATION HOUSEHOLD ITEMS — SOME PERSONAL TOILETRIES	4. SELF-SATISFACTION CIGARETTES — CONFECTIONERY — BEER
	Possible Implications CREATIVE: Reminder MEDIA: Smaller Space Print High Frequency TV Radio, POS	Possible Implications CREATIVE: Attention MEDIA: Billboards Medium to Large Space Print POS
L O W		

From this *subjective* approach to "How Advertising *Probably Works*" various FCB offices around the world, including Lindsay Smithers-FCB in South Africa, set out to establish whether *consumers* actually did approach buy-

ing decision in the way in which the Grid hypothesised and, if so, could we develop a research programme which would **measure** whether products were bought mainly for rational as opposed to emotional reasons, and

whether products were bought with a lot/little thinking.

In 1981, the FCB Research Department in Chicago embarked on a number of Pilot Grid Studies with two objectives in mind:

1. To develop scales which measured involvement and think/feel AND
2. To position a large number of products and services on the Grid using those scales.

These two research objectives, if accomplished positively, would then lead us to answer the greater advertising objective of:

providing evidence of the validity of the model. In other words: Do the results of Grid research make sense? Does the model capture reality?

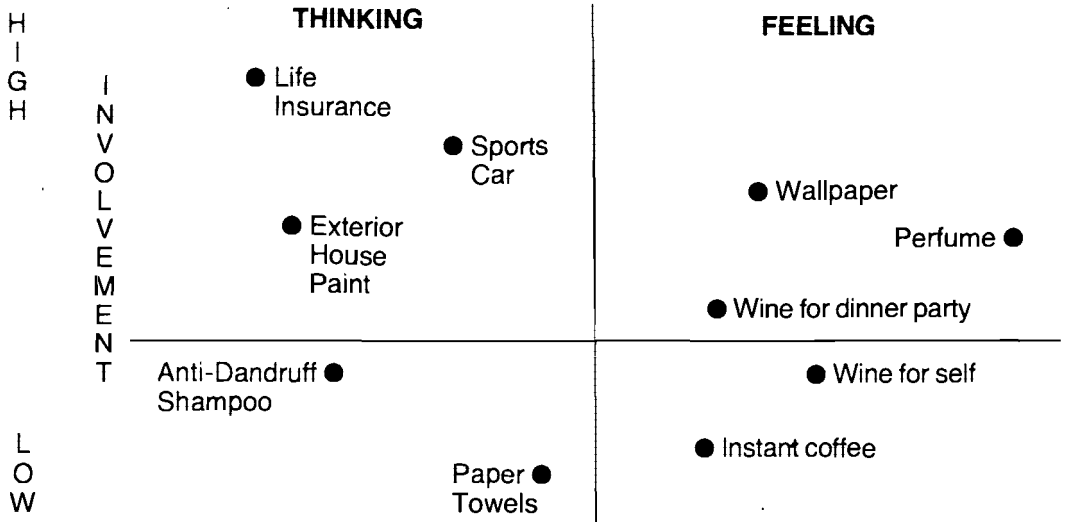
Clearly, the key was the development of scales which, effectively, could measure high/low involvement and think/feel. The initial scale development involved judgemental considerations, a review of academic literature on the subject and qualitative research — in-depth interviews on how consumers made buying decisions. Out of this development, a total of 50

scales were considered, of which, some 24 scales were experimented with in sequential refinement research. Each scale took the form of a semantic differential question e.g.:

“Please rate the process of choosing a brand of toilet paper on the following scale. Please base your rating on your *most recent* choice of a brand of toilet paper”.

Little to lose if you choose the wrong brand 1 2 3 4 5 6 7 A lot to lose if you choose the wrong brand

The results of the US Grid study were published in 1982. The results appeared very encouraging. The positioning of the 75 products by consumers was generally in agreement with expectations. The results appeared reliable in that there was consistency of results across the pilot studies and the main survey i.e. across different samples.



LS-FCB launched its own Grid studies in late '82/early '83, using an 8 scale questionnaire. Unlike the US and the UK, where questioning had been done either by telephone or by mail, we elected to use face-to-face interviewing only. (This for the reason that interviewing of Black respondents had, by necessity, to be

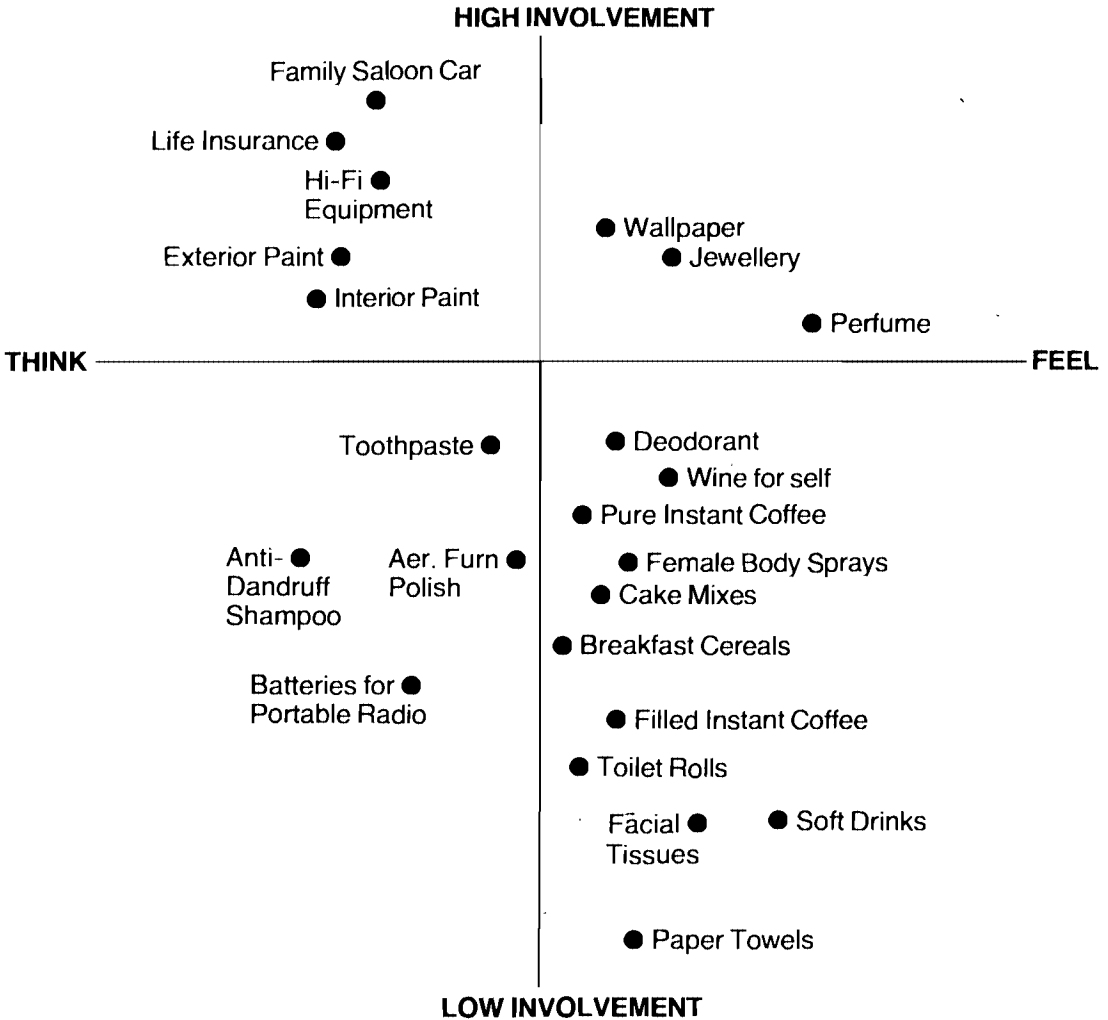
face-to-face and we wished to maintain consistency of method for Black and White studies). Further, we felt that to interview consumers on up to 75 products, could lead to respondent fatigue so we attempted only to measure 25 products.

In our first Grid study, we interviewed just under 250 White and Black male and female respondents. *Only recent purchasers* of a pro-

duct completed that part of the questionnaire relating to that product.

Here are the results of that first Grid study.

WHITE AND BLACKS COMBINED ON ALL RACES AXES



These results are very encouraging. The positioning of products by consumers was generally in agreement with expectations. Consumers can discriminate between high/low involvement and between thinking/feeling. In addition, results of the South African study, in many instances, were identical to results of

studies conducted in other countries. Where differences occurred between the South African study and studies done elsewhere around the world, these differences were explained by cultural differences between the South African population and populations elsewhere.