DRIVING AUTOMOTIVE SALES: AUDIENCE MEDIUM VALUATION (AMV)

Integrating attitudinal and behavioral brand data to provide leading-indicator media ROI assessments

Robert Passikoff
Charlene Weisler

This paper describes an innovative audience assessment approach that integrates attitudinal and behavioral data as developed by Brand Keys, Inc. and Rainbow Media. The AMV Model provides a new, highly effective metric with which media planners, brand managers, and marketers can quantify the degree to which the media environment itself can positively (or negatively) impact audiences' behaviors toward the brands. It has international applications. By providing consumer-driven measures that identify which/how (in this case, cable) network(s) best reinforce brand values for advertised products and services, this assessment provides a leading-indicator alternative to traditional audience measures, and insights beyond traditional demographics. This study examined 14 automotive brands advertised on 2 cable networks. The Audience Medium Valuation metrics correlate highly to positive consumer behavior and can be used to optimize media plans, boost advertising efficiencies, and increase sales and profitability.

WHAT HAPPENED TO MY AD BUDGET?

Advertising Age's 2003 "100 Leading National Advertisers" reported that General Motors, Ford, DaimlerChrysler, Toyota, Honda, Nissan, Volkswagen, Mitsubishi, and Kia spent a combined total of $12,268,000,000 in U.S. advertising spending. That's more than $12 billion dollars in just the United States alone for just nine companies, a lot of money by anyone's standards.

Nearly a century ago department store magnate John Wanamaker said, "I know half my advertising budget is wasted – I just don't know which half." The way ad dollars are invested today it's still true: half our ad dollars (maybe more in the 24/7, internet-driven, 21st century) are wasted. And in light of the numbers of dollars spent, advertisers are demanding accountability, demanding some way of determining the return on their enormous investments.

Clearly not every company has millions upon millions of dollars to spend on advertising their brand. The difficulty is compounded, of course, that marketers still buy media based on what a gigantic media services company has identified as providing as much reach and frequency as they can afford, in a media vehicle that's pretty much ideal for "their" demographic. They pay for it, run the ad or commercial, and that's pretty much it.

But what do marketers really get? Sure, they get the time or space paid for – which presumably delivered some audience determined by the reach and frequency. But they get no proof – not even a certifiable likelihood – that anyone actually saw or heard or read their message. No guarantee the televiewer didn't zap the commercial. No warranty that the audience that did see it will remember it. Or think well of the advertised brand. Or have it end up on their consideration list. Or guarantee that it will end up high on the purchase consideration scale – let alone buy it! Nothing to let marketers know that they connected with their consumer or that their advertising had any real market effect. You'd think that 100 years after Wanamaker's lament there must be more to it ... some way to assure marketers that they aren't wasting their money.

Why are connecting with consumers, optimizing media selection and delivering advertising effectiveness more complex and prone to error than ever before? Inarguably,

- Media habits are changing. Where and how to find target audiences has gotten extraordinarily complex. Consumers are no longer glued to three television networks – or television for that matter. Fewer than half of Americans subscribe to newspapers. Where once there was a dominant sports magazine, there are well over 100 – subdivided by special interests. People now spend 10% of their time online. You get the idea.

- The lines are increasingly blurred between consumer demographic and lifestyle profiles. The list of “acceptable” media options gets longer and longer every day, making it increasingly less clear where the highest quality target audiences for the brand are lurking.
- More TV and cable network options means that more and more, the consumer has the power to self-select the ad message he or she will be exposed to. Or “zap!” Or just plain ignore.
- Further, shrinking ad budgets – although that doesn’t seem to be the case among automotive companies – mean companies don’t have as many media dollars to allocate as they had in years gone by. Mistakes are more costly than they used to be.
- To a media vehicle, an ad, is an ad, is an ad. They make no special provisions for how your brand is perceived. Yet media choices can have enormous impact on brand attributes.

Companies around the world (and worldwide) have invested countless dollars in developing and supporting their “brands.” Wouldn’t they feel better about how they were spending their money if there were some way to insert their brand’s values into the media planning process? To take them beyond standard “reach and frequency” thinking?

It’s not that the concept of inserting attitudinal metrics into the media plan hasn’t been talked about before. It’s been examined on a purely qualitative basis, but until recently has not been validated on a quantitative, statistically generalizable basis.

Media planners haven’t had the ability to meaningfully introduce real attitudinal brand values into the planning process, so they do what they know best. But planning by reach and frequency alone is flawed, because the brand's values and the media vehicle’s values may not be consonant – even when the editorial environment and reach and frequency numbers look right.

It is obvious that brands will perform better in media environments that are clearly in ‘sync’ with the products and/or services. For example, automobile advertising is often placed on TV broadcasts of movies since the viewers generally tend to be older and watch such fare. But how can media planners find the fine line between, say, NBC, AMC, Lifetime or WE? On one network your key brand attributes are being well received, on the other side they may not be. As we said before, mistakes can be costly.

By inserting attitudinal brand values into the media planning process, marketers can better assure they connect with – and communicate core brand values – to consumers.

Aligning brand values with the values of the individual media vehicle or cable network on which you plan to advertise, allows planners to predict increased levels of brand awareness and positive brand imagery before you spend your money.

You connect better with your target audience and maximize your brand's ad effectiveness. You get more cost-effective and strategic media planning. Before you spend your money!

THE THEORETICAL STRUCTURE

At the 7th Annual ARF Copy Research Workshop in 1990, The Advertising Research Foundation published the results of their seminal Copy Validity Project. This research indicated that the methodological framework of "brand liking" or "brand bonding" was the metric most-highly correlated to sales. This is the same framework developed by Brand Keys and used by Rainbow Media to determine what is called "Brand-to-Media Consonance." It is successful at predicting higher levels of attention to advertising and predicting increased levels of positive imagery for the brand.

THE METHODOLOGICAL FRAMEWORK

Brand Keys, Inc. uses a combination of a proprietary psychological assessment tool and higher order statistical analyses. This approach allows us to fuse both emotional and rational elements within the consumers' category-specific process that identifies how the consumer will:

- View the category,
- Compare offering in the category, and, ultimately,
- Buy in the category.

The questionnaire uses personification as the device for "getting below the consumer's radar," capturing the articulated and unarticulated attitudinal elements that will define behavior in the marketplace. It has a test/re-test reliability of .93 configured off of national probability samples in the United States and the United Kingdom and has been used in 26 countries in a variety of product and service, consumer and B2B categories.

Utilizing the psychological questionnaire, four category drivers are identified – each possessing both a factor score, or “weight,” (denoting import) and a height that represents actual expectations regarding a specific driver.

In order to define the drivers from the consumer’s perspective, a set of category attributes, benefits, and values (ABVs) are configured. This list comprises general product, category, and consumer elements, features, imagery, or any items thought to be useful to the marketing/customer/brand development process.

Respondents evaluate the ABVs for importance and the elements are then factor analyzed and the identified factor groupings are regressed against the individual respondent factor weights (for each driver) identified via the psychological assessment. This identifies the “best fit” or relationships between the two sets of items, i.e., the category drivers and the ABVs.

Knowing this allows us to define the category drivers entirely from a customer perspective. An additional causal path analysis identifies the percent-of-contribution that each driver makes to the consideration and – if done correctly – brand adoption process.

This assessment is conducted for the category Ideal and the individual brands included in the survey. A weighted-average of the brand’s assessment – that is, as it measures up to the consumer’s conception of the Ideal, is employed as a baseline measure for the brand as a stand-alone entity. That is: *not* in the context of a particular media vehicle.

To arrive at the Brand-to-Media Consonance score, i.e., how is the brand perceived in the context of a particular media vehicle? On an attitudinal basis, do the values inherent in the media vehicle reinforce – or degrade – the values of the advertised brand?, the same assessment is conducted. Only this time – instead of a brand assessment – an assessment is conducted for “X brand advertised in the *New York Times*.”

THE PRACTICAL APPLICATION

Recent research affirms that this methodology can be profitably extended to the complex process of media selection. It proves that brand-to-media consonance – the foundation for Audience Medium Valuation – can be measured to identify the degree to which your brand’s values are enhanced by the very act of *its appearance in a particular media vehicle*.

Where Brand-to-Media Consonance scores are statistically higher than the brand score itself, the advertising medium would be considered “High Consonance,” meaning it positively reinforced brand values.

Where the Brand-to-Media Consonance score was statistically lower than the brand score itself, the advertising medium would be considered “Low Consonance,” meaning it was actually degrading brand values.

Where there was no significant reinforcement or degradation of advertised brand’s values, the medium would be considered of “Neutral Consonance.” In this case monies budgeted for such advertising vehicles could be re-allocated to “High Consonance” media (or other) advertising vehicles.

The Brand-to-Media Consonance paradigm proves that viewers think better of your brand in a “high” consonance vehicle than in just another “acceptable-by-traditional-standards” option.

Think of it in terms of the following value equation, translating as follows: increased levels of AMV scores correlate with increased levels in advertising awareness, positive brand imagery, and purchase consideration. Realizing this correlation leads to an increase in media efficiencies that will ultimately yield increased sales and attendant profitability.

		↑ Audience Attention Levels				
↑ AMV	=	**↑ Positive Brand Imagery**	=	**↑ Media Effectiveness**	=	**↑ Profits**
		↑ Levels of Purchase Consideration				

It is both reasonable and axiomatic that by being able to select media where consumers pay more attention to your advertising, think better of your brand, and exhibit higher levels of positive purchase consideration, you can count on higher levels of profitability.

CALCULATION OF AUDIENCE MEDIA VALUATION ASSESSMENTS

Brand Keys, Inc. and Rainbow Media, implemented this research program to determine:

- The degree to which a cable channel on which a commercial for an automotive brand *might* appear would either enhance or hurt the automotive brand’s overall brand equity score, i.e., how it measures up to the consumers’ expectations; and
- The commercial’s subsequent performance via a traditional advertising test on measures of both *advertising awareness* as well as *direct image ratings of the automotive brand* on eight product imagery statements, and *purchase consideration levels*.

Phase One

Telephone interviews were conducted with 500 members of the automotive brand's primary female target audience (women ages 25-29 that exhibited a top-two box likelihood to purchase a new automobile within the next two years.) Each respondent was asked to rate:

- The automotive brands they "had on their consideration shopping list," absent of any media/advertising environment.
- These same automotive brands if they were advertised on a particular cable network. (In this research AMC or WE. These assessments represent the attitudinal Audience Media Valuations or AMV).

(Normally we would examine the automotive brand scores on a pre-post basis, i.e., first the brand score in and of itself, absent of any media environment, and then the brand *if it had been advertised on a particular cable channel*, the AMV scores. This would allow us to make specific media selections. Examples of this application for multiple-media options appear on the Brand Keys website.)

In this study, however, we wished to ascertain the *degree to which* the attitudinal brand values could be integrated with behavioral data.

As such, we are reporting only the "post" brand scores (the AMV scores) i.e., how consumers' attitudes toward the media brand helped – or hurt – the automotive brand when it ultimately was advertised to real target consumers in the real world.

Keep in mind that the AMC and WE cable networks were both perfectly acceptable (for the select brands) when viewed from the traditional, "target audience" media point-of-view.

However, revisiting the AMV Value Equation, we see that although the target audiences were similar, the attitudinal brand effects toward each automotive brand were different.

The automotive brands' overall AMV scores were as follows:

- For the brands "advertised on" AMC:
  - BMW 125
  - Cadillac 121
  - Lexus 121
  - Toyota 120
  - Mercedes 118
  - Volkswagen 113
  - Audi 110

- For the brands "advertised on" WE:
  - ✳ Honda 122
  - ✳ Dodge 118
  - ✳ Nissin 111
  - ✳ Chevrolet 109
  - ✳ Ford 109
  - ✳ Hyundai 103
  - ✳ Kia 101

With these results in mind, let's revisit the AMV value equation:

	↑ Audience Attention Levels		
↑ AMV =	**↑ Positive Brand Imagery**	**=**	**↑ Media Effectiveness = ↑ Profits**
	↑ Levels of Purchase Consideration		

Thus, we should reasonably expect that where the AMV scores are high, the automotive brands would benefit from placing their advertising on that particular medium. Where the scores are lower, expectations of actual returns on this investment should be modified downward – in some cases, dramatically.

Phase Two

However, in order to determine how precisely the AMV attitudinal scores correlated with consumer behavior, in a second phase of the research, a current TV commercial for the each of the automotive brands was inserted into a movie appearing on each of the two cable networks during the 9:00 to 11:00 PM time segment.

A standard captive audience, clutter-exposure test was conducted to measure

- Ad awareness,
- Automotive brand perceptions and
- Levels of purchase consideration

after exposure to the portion of the movie in which the automobile ad appeared. The TV commercials were inserted 14-16 minutes into each movie. Assessments were collected after the second commercial break, or approximately 40 minutes into the movie.

CONSUMER ASSESSMENTS

The automotive brands' overall *advertising awareness scores* on AMC were:

BMW	24%
Cadillac	25%
Lexus	25%
Toyota	27%
Mercedes	24%
Volkswagen	23%
Audi	20%

The automotive brands' overall *advertising awareness scores* on WE were:

Honda	26%
Dodge	26%
Nissin	24%
Chevrolet	29%
Ford	30%
Hyundai	20%
Kia	16%

The automotive brands' overall *brand equity/image scores* (an average of eight automotive attitudinal image items accounting for a high percent-of-contribution to consideration and purchase (two from each of the four category drivers) rated on a 1-to-7 scale)

Brand Equity/Image items used in this study included: "Overall styling, How I will feel driving this car, Value for dollar, A brand I know and trust, I feel safe driving this car, It is a brand that has a reputation for safety, It has the comfort and convenience options I deserve, It is ergonomically designed." The brands' overall scores were calculated to be as follows:

- On AMC:

BMW	6.22
Cadillac	6.00
Lexus	6.19
Toyota	5.80
Mercedes	6.05
Volkswagen	5.85
Audi	5.80

- On WE:

Honda	5.10
Dodge	5.75
Nissin	5.4
Chevrolet	5.00
Ford	5.10
Hyundai	4.48
Kia	4.10

The automotive brands' *top-two box purchase consideration scores* on AMC were:

BMW	27%
Cadillac	23%
Lexus	25%
Toyota	26%
Mercedes	28%
Volkswagen	23%
Audi	19%

The automotive brands' *top-two box purchase consideration scores* on WE were:

Honda	25%
Dodge	24%
Nissin	23%
Chevrolet	23%
Ford	24%
Hyundai	20%
Kia	15%

THE PROOF

How successful were the *attitudinal* Audience Medium Valuation (AMV) assessments as leading-indicator of actual consumer *behavior*?

There were notable correlation levels found between the attitudinal AMV scores (collected prior to any advertising placement or exposure) and the advertising awareness levels generated by the automotive brands' TV commercials, the brand imagery ratings, and – most importantly – the purchase consideration numbers (generated by the actual placement and exposure of the TV commercials)

Correlations were as follows, a successful integration of attitudinal and behavioral data by anyone's standards.

Network	***Advertising awareness***	***Brand imagery***	***Purchase consideration***
AMC	.60	.75	.73
WE	.57	.76	.81

IMPLICATIONS OF THE AUDIENCE MEDIUM VALUATION ASSESSMENTS

Nine automotive brands spent nearly 13 billion dollars on advertising in 2002. That wasn't all the automotive brands advertising today, and it only encompasses dollars spent in the United States. With such large sums of advertising dollars on the line it is critical that they be well spent.

It is universally acknowledged – in every industry – that more is riding on every media decision than at any time in memory. You hear about it every day.

It also seems as though the media industry has been talking about the importance of brand forever.

Given the immense investments made "in the brand," isn't it about time that marketers insist that the brand – and its very own values – be made a significant part of the media planning process? Beyond demographics, reach, and frequency?

Advertisers know that we need something better. How much longer can we rely upon 'sliced and diced' reader/viewer/listener profiles? More recent tools based upon the category and brand-purchase behavior of individuals exposed to specific media options have been investigated, but, unhappily, they look suspiciously like a re-shuffling of data-mined, previously-identified segments. These newer systems are an improvement over the approaches of decades past.

But they do not actually insert the brand – and the values that define the brand – into the media selection process. They do not integrate attitudinal and behavioral data.

They do not address the important issue of to what degree, and in what specific ways, the very act of being exposed to a commercial within a particular media vehicle enhances or detracts from brand values. Or the degree to which the target audience will actually pay attention to the advertisement. Or what the target audience will believe or feel about the brand in question. Or whether they will be more (or less) encouraged to purchase the brand. In short, they neither improve an advertiser's opportunity to connect with their consumers, nor do they increase the effectiveness of their efforts.

The time has come to be proactive. It is time to close the gap between what we know and what is still practiced. It is time to integrate attitudinal and behavioral data in ways that will be more useful and profitable for our clients.

Current research reveals that appropriately configured, Audience Medium Valuation metrics can be an innovative, valuable complement to the more traditional media planning tools. Optimized results can be accomplished without sacrificing traditional skill-sets that leverage reach and frequency, or demographic and lifestyle audience characteristics.

EMPIRICAL PROOF, PRACTICAL APPLICATIONS

The Rainbow Media and Brand Keys, Inc. have demonstrated conclusively that the effect of a particular media option on a brand – in this case, cable networks on automotive brand advertising – based upon the consumers' attitudinal brand assessments can extend to the level of the commercials' effectiveness and its ability to connect with the chosen target audience.

These are inarguably the factors that are the very *raison d'être* for the advertising exercise: increase the likelihood a consumer will be aware of a brand, will actually pay attention to the advertising for that brand, and will come away with a markedly favorable impression of the brand being advertised, and will consider the brand more robustly.

As Rainbow Media has acknowledged – in conducting this research – these assessments can also be used by the individual media "brands" themselves, not only to provide better guidance for potential advertisers, but also to provide added-value in situations, whether or not the CPMs for the alternatives are equal or to amortize their own investment in advertising sales. It is not unheard of for clients to actually pay more when they are able to see demonstrable results, and not surprising to hear that sales organizations are increasingly being asked to do more with fewer resources.

But whatever the organization applying this technique, the AMV application proves that media planners can now be armed with a new, highly effective metric with which they, and brand managers, and marketers can once and for all quantify the degree to which the media environment itself can positively (or negatively) impact audiences' behaviors toward the brands.

The approach effectively allows for the integration of attitudinal and behavior measures and proves that this integration that can result in superior media plans for brands, and attendant increased levels of connectivity and effectiveness for their clients.

And that it can now be done before spending their money!

NOTE

As this study was in part sponsored by Rainbow Media, it examines two cable networks that are part of the Rainbow Media network. That noted, this technique has been applied to a large number of media options including additional cable venues, TV networks, individual TV shows, magazines, and radio. Additional validation studies can be found on the Brand Keys website (www.brandkeys.com), under “What We Do” in the Brand-to-Media Consonance section.

REFERENCES

Advertising Research Foundation. (1990). Transcript Proceedings. *The Copy Research Agenda for the 1990s*. New York.

Albrecht, Karl. (1994). *The Northbound Train*. New York: AMACOM.

Albrecht, Karl. (2003). Assessing Advertising in the 21st Century, *2003 Advertising Seminar,* Conference Board, New York City, NY, April 9.

Albrecht, Karl. (1994). 2003. Customer Analytics and Marketing Strategy. *Integrated Marketing Planning*, Conference Board, Chicago, IL, June 18.

Elliott, Stuart Elliott. (1999). Advertising. *The New York Times*, August 11, pp. C10.

Knox, Simon and Stan Maklin. (1998). *Competing On Value*. San Francisco - Financial Times Pitman Publishing.

Melick, Arden Davis and Robert Passikoff. (1997). Increasing Your Future Income By Leveraging Your Brand Equity: A Case History and Recommended Approach. *Branding and Advertising Energy*. New York - Strategic Research Institute.

Passikoff, Robert. (1999). Strategic Planning Process: Identifying and leveraging the corporation’s brand equity. *Quirk’s Marketing Research Review,* May, pp. 46-50.

Passikoff, Robert. (2002). The Limits of Customer Satisfaction. *Brandweek,* March 3, pp. 17.

Passikoff, Robert. (2002). Strategic Media Planning for your Brand. *Proceedings of the Week of Audience Measurement*, ESOMAR/ARF, Cannes, France, June 9.

Zyman, Sergio. (1999). *The End of Marketing As We Know It*. New York: Harpur Business.

THE AUTHORS

Robert Passikoff is President, Brand Keys, Inc., United States.

Charlene Weisler is Senior Vice President, Director of Research, Rainbow Media, United States.