

A Benchmark Study on Advertising Awareness  
from Millward Brown

Documenting  
the Effectiveness of  
Magazines  
in the  
Media Mix



Magazine Publishers of America

# Welcome to the Age of Accountability

Today, more than ever before, advertisers and their agencies are demanding a measurable return on their advertising investment and challenging media to provide quantifiable evidence that their campaigns are working. This study, *Documenting the Effectiveness of Magazines in the Media Mix*, presents the results of the first in a series of research initiatives launched by the Magazine Publishers of America (MPA). If you'd like the MPA to present the complete study to your staff, please call us at (212)872-3733.



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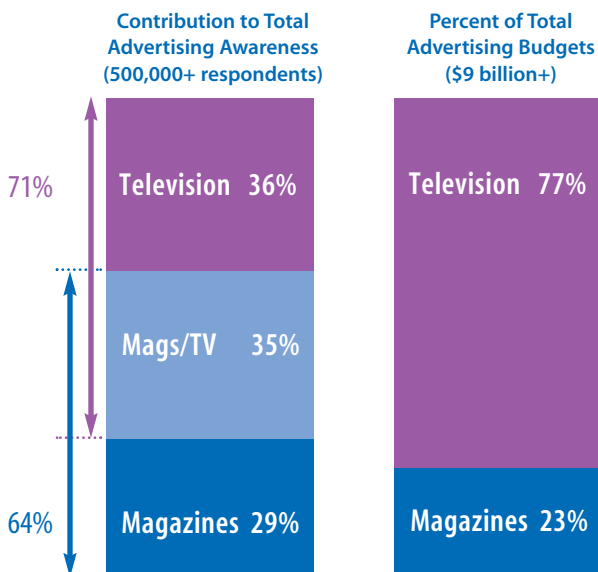


## *Introduction*

*Documenting the Effectiveness of Magazines in the Media Mix* calls on the expertise of Millward Brown, an international leader in the field of advertising awareness tracking, to identify magazine advertising's contribution to the media mix. *The Millward Brown analysis quantifies the role of television and magazines individually, and the two media in combination, in generating advertising awareness on a dollar-for-dollar basis.*

These findings are based on the universe of campaigns tracked by Millward Brown from January 1996 through December 1997 that utilized both magazines and television. *This analysis encompasses a wide array of product categories, spending levels, and media allocations. The relative contributions of each medium are examined across 113 qualifying brands across 22 product categories in Millward Brown's ad tracking database.*

## Magazine Effectiveness: Dollar for Dollar, Magazines Deliver



**SHARE OF ADVERTISING AWARENESS AND SPENDING  
113 BRAND AVERAGE ACROSS 22 CATEGORIES, 1996-1997**

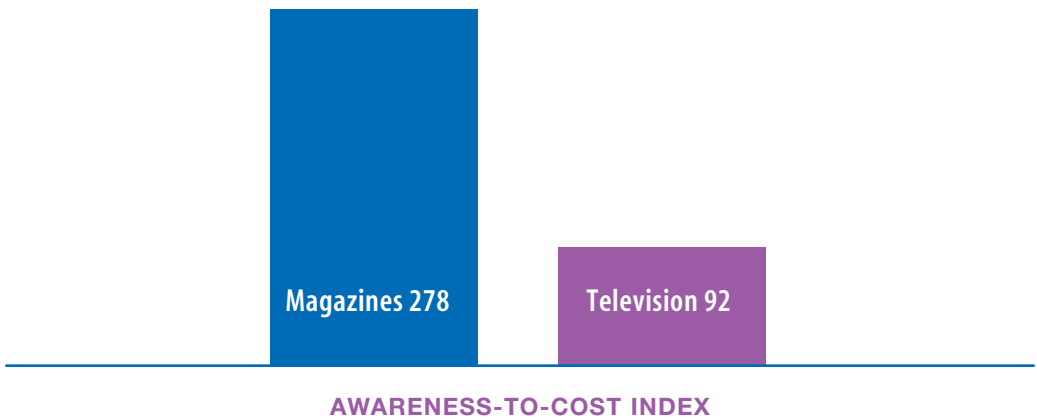
The Millward Brown analysis provides clear indications of the effectiveness of magazines and television individually – and the two media in combination – at generating advertising awareness.

The bar on the left, “Contribution to Total Advertising Awareness”, shows the breakout of advertising awareness by medium for all of the tracking studies fielded by Millward Brown. The top piece of this left-hand bar – television only, 36% – represents those respondents who attribute awareness to television, and not magazines. The middle piece – both, 35% – are those respondents who were aware of advertising in both media. The bottom piece – magazines only, 29% – are those respondents who remember seeing advertising for a specific brand in magazines, but not on television.

To calculate the total percent of respondents who said that they had seen advertising for the brand on television, Millward Brown adds the top two pieces together,

which in this case totals 71%. And to determine the total percent who had seen advertising in magazines, the bottom two pieces are added, for a total of 64%.

The bar on the right (on page 6) is the actual media mix for the 113 brands over the two-year period, representing more than \$9 billion in advertising spending. The majority of Millward Brown's clients are heavy TV advertisers. On average, 77% of spending was on TV, while 23% of advertising expenditures were allocated to magazines.

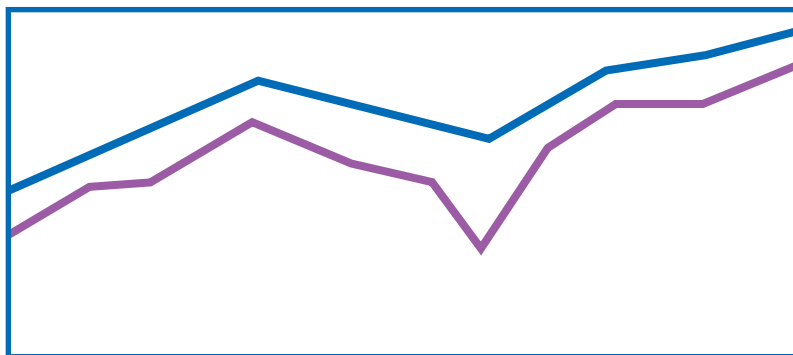


Millward Brown then divides the total percent of awareness attributed to each medium by the percent of spending, to calculate an overall effectiveness measure based on a dollar-for-dollar comparison. Millward Brown calls this the awareness-to-cost index.

Based on the calculations demonstrated above, the awareness-to-cost index reveals that, dollar for dollar, magazines deliver higher advertising awareness levels than television. ***In fact, on average for all the brands, the relationship is more than three to one.***

*Source: Millward Brown, Competitive Media Reporting; Awareness-to-Cost Index: Individual medium's % contribution to awareness, plus combined contribution, divided by % of spending*

## *The Impact of Awareness on Product Purchases: Overall Findings*



FINDINGS ACROSS 113 BRANDS, 1996–1997

■ Awareness ■ Purchase Intent

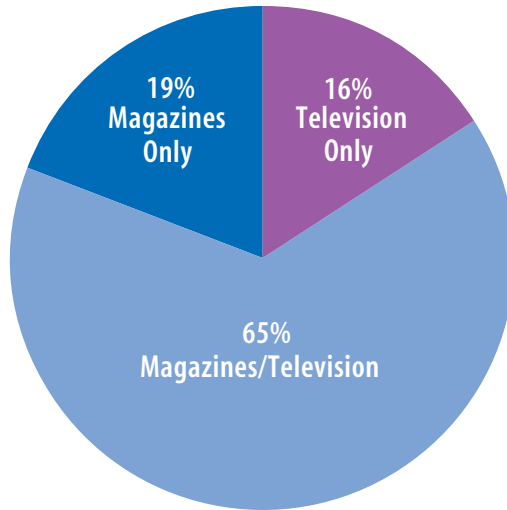
*61% of brands demonstrate  
a significant relationship between  
advertising awareness and  
“Definitely Will Buy” or “Probably Will Buy”*

An important objective of this analysis was to determine the relationship between awareness and purchase intent – a very compelling measure of how consumers feel about a brand. Purchase intent is defined, at the brand level, as those individuals who reported that they would “Definitely Buy” or “Probably Buy” the brand. Millward Brown looked at the relationship between awareness – overall and by medium – and this important measure of buying intention.

61% of brands showed a relationship between a change in advertising awareness and a corresponding change in purchase intent. This phase of the analysis tracked awareness and intent on a weekly basis, looking for an immediate cause and effect.

Source: Millward Brown

## The Media-Multiplier Effect

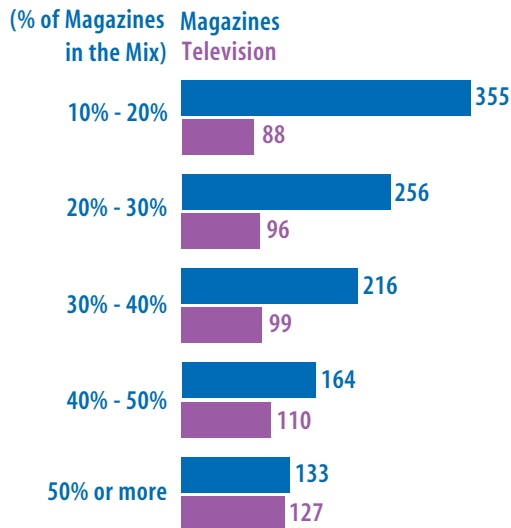


### AWARENESS BY MEDIUM

Among those cases where Millward Brown found a significant relationship between advertising awareness and purchase intent, they then identified the source of awareness that was driving the correlation. Millward Brown discovered that awareness attributed to a combination of media – both television and magazines working together – was most strongly related to productive changes in purchase intent. Millward Brown calls this the Media-Multiplier Effect.

Source: Millward Brown

# The Effectiveness of a Balanced Media Mix



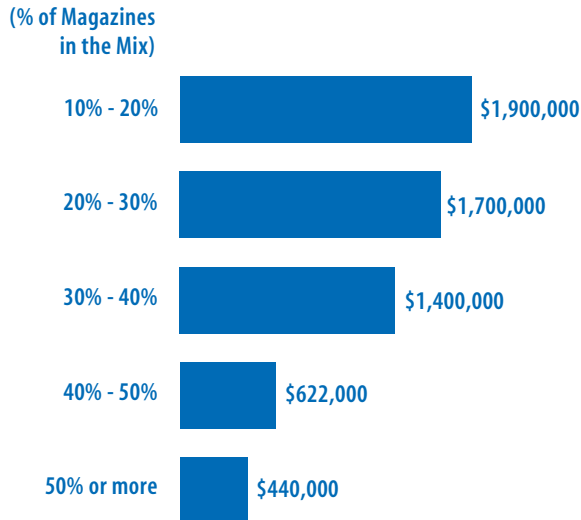
## THE MEDIA-MULTIPLIER EFFECT AWARENESS-TO-COST INDICES

Millward Brown further explored the Media-Multiplier Effect, and the impact of the media mix on advertising awareness. Millward Brown first established ranges that categorized all 113 brands by their percent of spending in magazines. They then computed the awareness-to-cost index for each range. As a result, two distinct relationships become evident.

First, when magazines are added to a heavy television schedule, magazines deliver a new audience because the heavy-magazine reader is traditionally a light-TV viewer. As more magazines are added to the mix, an advertiser is then building frequency among this important audience. In addition, the effectiveness of television actually increases as a higher percentage of magazines are added to the media mix. This is clear evidence of the Media-Multiplier Effect, and the synergy of magazines and TV working together. In fact, the first time Millward Brown reports parity between the magazine and television indices is for those brands using a balanced media mix.

Source: Millward Brown, *Competitive Media Reporting*

## The Efficiency of a Balanced Media Mix



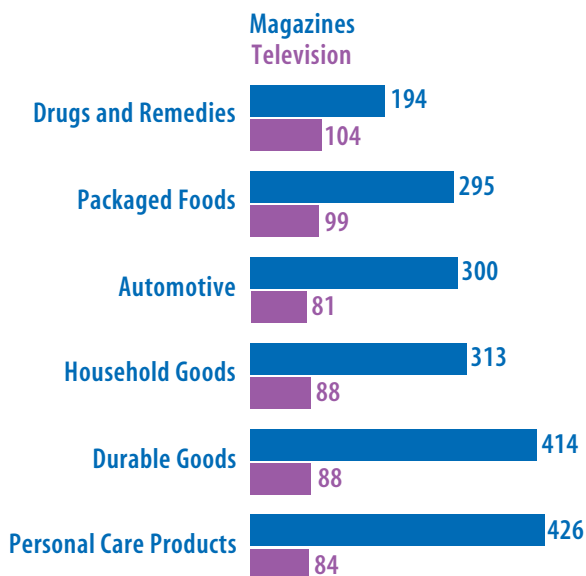
### AVERAGE COST-PER-AWARENESS POINT FOR BRANDS USING DIFFERENT MEDIA MIXES

Millward Brown also examined the efficiencies that result from a balanced media mix. For the brands in each of the different media mix ranges, Millward Brown then calculated the average cost-per-awareness point for each range (average total awareness score for each range divided by the average budget for each range). The analysis reveals the cost efficiency of a balanced media mix.

For example, those brands using 80%-90% television in the media mix spent \$1.9 million, on average, for every awareness point generated. Contrast that to those brands using a balanced media mix, where the average cost-per-awareness point generated is substantially lower – about \$440,000.

Source: Millward Brown, Competitive Media Reporting

## Magazine Effectiveness: Dollar for Dollar, Magazines Deliver Significantly High Advertising Awareness Levels Regardless of Category



### AWARENESS-TO-COST INDICES

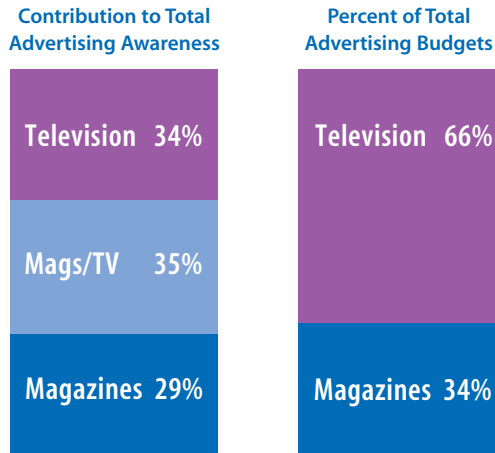
Millward Brown examined the data at the category level to identify any significant differences in the awareness-to-cost relationship. Here, Millward Brown has collapsed the 22 different categories into six broader ones to illustrate the range of awareness-to-cost indices across categories.

Regardless of the category, magazines are always at least twice as effective as television on a dollar-for-dollar basis at generating advertising awareness.

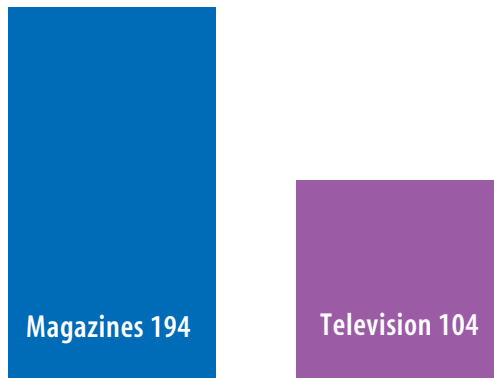
***For categories like durable goods and personal care products, magazines are more than four times as effective at generating advertising awareness.***

Source: Millward Brown, Competitive Media Reporting; Awareness-to-Cost Index: Individual medium's % contribution to awareness, plus combined contribution, divided by % of spending

*Dollar for Dollar,  
Magazines Deliver Significantly High  
Advertising Awareness Levels  
in the Drugs and Remedies Category*



SHARE OF ADVERTISING AWARENESS AND SPENDING 1996–1997



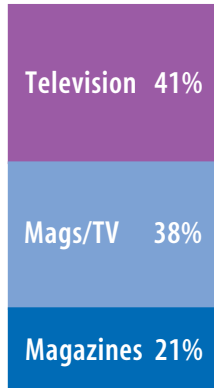
AWARENESS-TO-COST INDEX

***In the drugs and remedies category, magazines deliver, on a dollar-for-dollar basis, almost twice as much advertising awareness as television.***

Source: Millward Brown, Competitive Media Reporting; Awareness-to-Cost Index is an individual medium's % contribution to awareness plus combined contribution, divided by % of spending.

# Dollar for Dollar, Magazines Deliver Significantly High Advertising Awareness Levels in the Packaged Foods Category

Contribution to Total Advertising Awareness



Percent of Total Advertising Budgets



SHARE OF ADVERTISING AWARENESS AND SPENDING 1996–1997

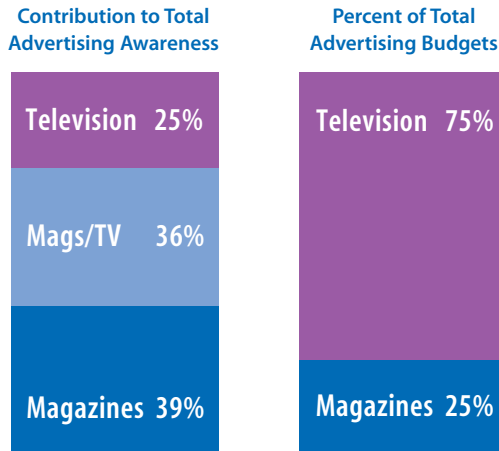


AWARENESS-TO-COST INDEX

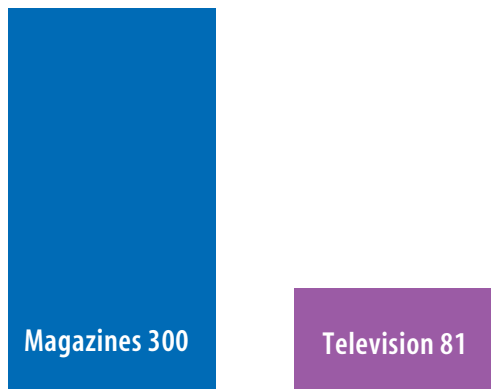
***In the packaged foods category, magazines deliver, on a dollar-for-dollar basis, almost three times as much advertising awareness as television.***

Source: Millward Brown, Competitive Media Reporting; Awareness-to-Cost Index is an individual medium's % contribution to awareness plus combined contribution, divided by % of spending.

# Dollar for Dollar, Magazines Deliver Significantly High Advertising Awareness Levels in the Automotive Category



SHARE OF ADVERTISING AWARENESS AND SPENDING 1996-1997



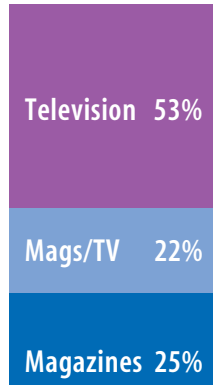
AWARENESS-TO-COST INDEX

***In the automotive category, magazines deliver, on a dollar-for-dollar basis, more than three times as much advertising awareness as television.***

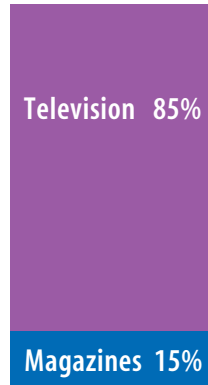
Source: Millward Brown, Competitive Media Reporting; Awareness-to-Cost Index is an individual medium's % contribution to awareness plus combined contribution, divided by % of spending.

*Dollar for Dollar,  
Magazines Deliver Significantly High  
Advertising Awareness Levels  
in the Household Goods Category*

Contribution to Total Advertising Awareness



Percent of Total Advertising Budgets



SHARE OF ADVERTISING AWARENESS AND SPENDING 1996–1997



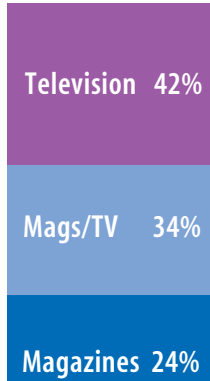
AWARENESS-TO-COST INDEX

***In the household goods category, magazines deliver, on a dollar-for-dollar basis, more than three times as much advertising awareness as television.***

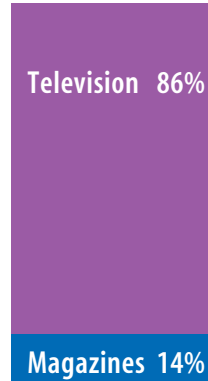
Source: Millward Brown, Competitive Media Reporting; Awareness-to-Cost Index is an individual medium's % contribution to awareness plus combined contribution, divided by % of spending.

*Dollar for Dollar,  
Magazines Deliver Significantly High  
Advertising Awareness Levels  
in the Durable Goods Category*

Contribution to Total Advertising Awareness



Percent of Total Advertising Budgets



SHARE OF ADVERTISING AWARENESS AND SPENDING 1996–1997



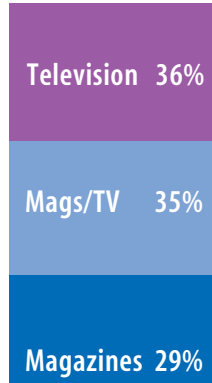
AWARENESS-TO-COST INDEX

***In the durable goods category, magazines deliver, on a dollar-for-dollar basis, more than four times as much advertising awareness as television.***

Source: Millward Brown, Competitive Media Reporting; Awareness-to-Cost Index is an individual medium's % contribution to awareness plus combined contribution, divided by % of spending.

# Dollar for Dollar, Magazines Deliver Significantly High Advertising Awareness Levels in the Personal Care Products Category

Contribution to Total Advertising Awareness



Percent of Total Advertising Budgets



## SHARE OF ADVERTISING AWARENESS AND SPENDING 1996–1997



## AWARENESS-TO-COST INDEX

**In the personal care products category, magazines deliver, on a dollar-for-dollar basis, more than four times as much advertising awareness as television.**

Source: Millward Brown, Competitive Media Reporting; Awareness-to-Cost Index is an individual medium's % contribution to awareness plus combined contribution, divided by % of spending.

# Dollar for Dollar, Magazines Produce Significantly High Advertising Awareness Levels Across Specific Budget Levels

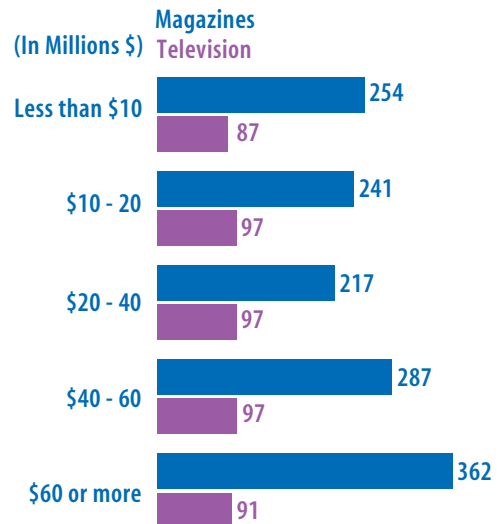
Millward Brown also looked at the impact of an advertiser's budget in greater detail. The chart at right shows the distribution of average annual advertising budgets for all 113 brands, as well as the average magazine and television budget for each range: from about \$1 million to nearly \$30 million in magazines and, for TV, from \$4 million to \$116 million.

## TOTAL ANNUAL ADVERTISING BUDGETS, 113 BRANDS

	Avg. Annual Magazine Budget (millions)	Avg. Annual TV Budget (millions)
Less than \$10 million	\$ 1	\$ 4
\$10 – \$20 million	4	12
\$20 – \$40 million	9	19
\$40 – \$60 million	11	37
\$60 million or more	29	116

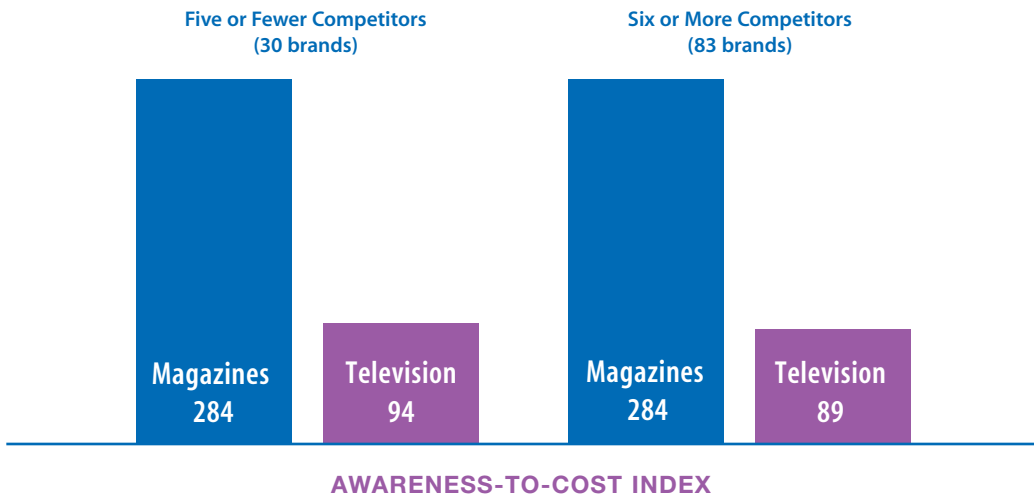
At any budget level, the cost effectiveness of magazines at generating advertising awareness is consistent. **In each case, the relative contribution of magazines in the mix is at least twice as effective at generating awareness. Dollar for dollar, magazines deliver at any budget level.**

## AWARENESS-TO-COST INDICES



Source: Millward Brown, Competitive Media Reporting

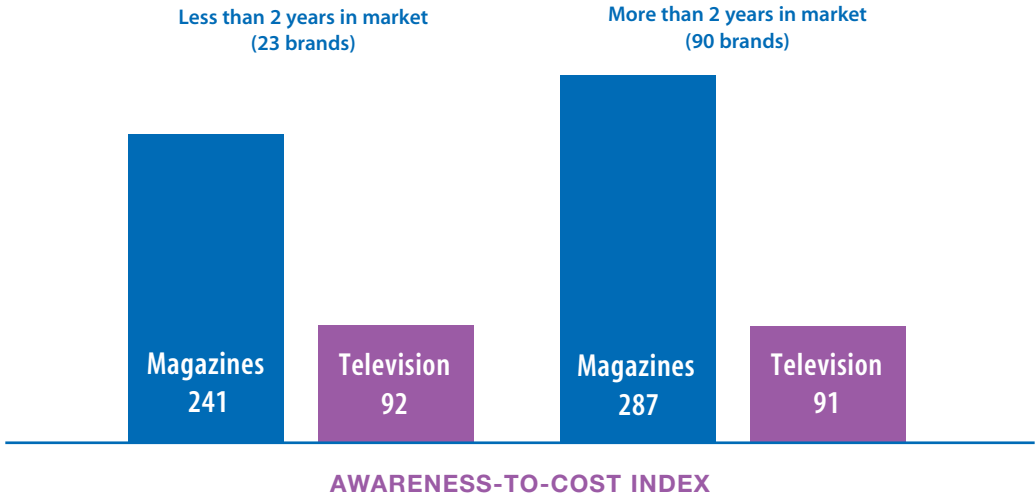
## *Dollar for Dollar, Magazines Produce Significantly High Advertising Awareness Levels Regardless of the Competitive Environment*



Millward Brown also explored the effect competition had on this relationship. Millward Brown analyzed brands that had only a handful of major competitors and brands that advertise against multiple competitors. They found no real differences based on competitive spending activity. ***In fact, regardless of the number of brands in the competitive set, magazines deliver, on a dollar-for-dollar basis, almost three times as much advertising awareness as television.***

Source: Millward Brown, *Competitive Media Reporting*

## *Dollar for Dollar, Magazines Deliver Significantly High Advertising Awareness Levels for New and Established Brands*

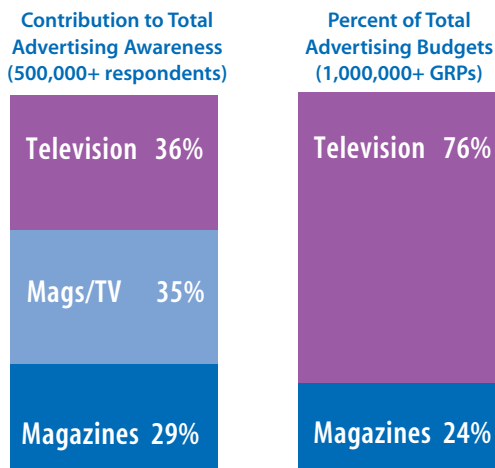


Millward Brown also analyzed new and more established brands. The chart on the left shows newly advertised brands – in the market less than two years. On the right, brands that have been in market more than two years.

***Although magazines are highly effective, regardless of a brand's longevity, the awareness-to-cost index for established brands is even higher – a relationship of more than three to one.***

Source: Millward Brown, Competitive Media Reporting

## Magazine Effectiveness: GRP for GRP

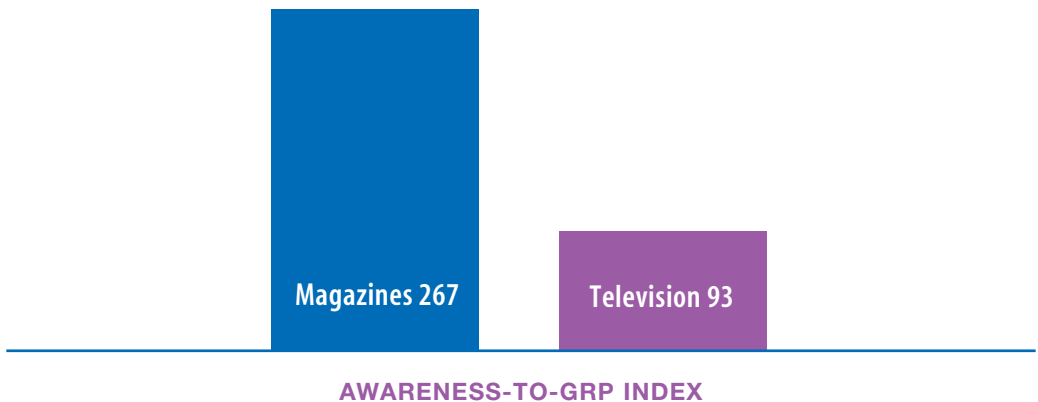


**113 BRAND AVERAGE ACROSS 22 CATEGORIES, 1996–1997**

In addition to spending, Millward Brown also analyzed the relationship between advertising awareness and GRPs. The chart on the left shows the contribution to awareness mix – on average for the 113 brands over the two-year period. On the right is the mix of GRPs attributable to each medium. This bar represents more than one million GRPs during the two-year period: 76% of GRPs were generated by television, 24% by magazines.

*Source: Millward Brown, Mediamark Research Inc.*

## *GRP for GRP, Magazines Deliver Significantly High Advertising Awareness*



Millward Brown then divided the percent of awareness attributed to each medium by the percent of GRPs, to calculate an overall effectiveness measure based on a GRP-for-GRP comparison. Millward Brown calls this the awareness-to-GRP index.

***The awareness-to-GRP index reveals that GRP for GRP, magazines deliver significantly higher advertising awareness levels than television. In fact the relationship is almost three to one.***

*Source: Millward Brown, Mediamark Research Inc.; Awareness-to-GRP index is an individual medium's % contribution to awareness, plus combined contribution, divided by % of spending.*

## *The Millward Brown Methodology*

Millward Brown analyzed the relationships between advertising awareness, advertising expenditures, and media weight for 113 brands representing 22 different product categories. Advertising awareness data were collected via continuous telephone tracking studies, commissioned by individual clients of Millward Brown. In each of these studies, advertising awareness was determined separately by brand and individually by medium.

For magazine advertising, published advertising expenditures were provided by Competitive Media Reporting (CMR). Mediamark Research Inc. (MRI) data were the source of magazine GRPs. In addition, Interactive Market Systems (IMS) applied its Adcume model to the MRI data to estimate weekly GRPs for the magazine schedules. For television advertising, CMR provided the spending data analyzed, and television GRPs were provided directly to Millward Brown by its clients.

Advertising awareness by medium, advertising expenditures, and GRP data were analyzed from January 1996 through December 1997 to identify each medium's contribution to overall advertising awareness levels.





Magazine Publishers of America