# COMMERCIAL IMPACT: AN OVERVIEW

In recent years the barrage of promotional announcements aimed at the American television viewer has assumed staggering proportions. Approximately one-fifth of the fare on the on-air networks, their affiliated stations or independent outlets and the advertising-supported cable channels consists of commercials touting the wares of marketing, manufacturing or service companies. The messages are of varying lengths; some last as long as two minutes but the most common units are 30-second commercials and, to a lesser extent, 15-second announcements. We estimate that the typical adult is now exposed to 115-120 TV commercials of all lengths daily; over a year this amounts to more than 42,000 messages, each enticing the viewer to buy a particular brand instead of its rivals', or conditioning her to think more positively about a product category or a corporation.

Like the programs they appear in, television commercials present a stylized and often misleading picture of society's needs, value systems and lifestyles; insidiously, they feed on the viewer's hopes for self-improvement, his need to conform or to be accepted and, in many cases, his fears or insecurities. Although supposedly a great irritant to viewers and consequently much maligned, TV's advertising messages nonetheless succeed in creating an awareness of their claims and brand identities and, ultimately, in motivating consumers to buy and use the products promoted.

The surveys tell us a great deal about how audiences react to commercials. Sifting through this maze of data, it is clear that viewers scan a surprisingly high degree of television's advertising content as a prelude to the more active phase of paying attention. What actually happens when the program fades into a commercial break and the first advertising message begins? For most viewers, there is an almost instant recognition of the loss of continuity, followed by a natural letdown or emotional release. At this point, many turn away from the tube or allow themselves to be distracted, but they can revert to full attention in a fraction of a second when a fleeting visual impression catches their eye.

Even though they are less involved with the commercials, viewers receive messages, or bits of messages, from them. These are sorted and screened in an incredibly fast process. Exposed to a stream of visual and audio stimuli, their minds ask questions like these:

"Is this something *new* or have I seen it before?"
"Is this *entertaining*?"
"Can I *learn* something by watching it?"
"Does it concern a subject I *care about*?"
"Do I *know* that product or use it?"
"Do I *need to know* about it?"

Based on the answers, the viewer reacts, either positively, by focusing again on the screen and watching the commercial, or negatively, by tuning out mentally or becoming absorbed in

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other activities. The whole process takes only seconds—sometimes fractions of seconds—yet even when it captures the viewer's attention, the commercial can lose her 5 or 10 seconds later if it lapses into a particularly implausible demonstration, makes claims that she as a consumer disagrees with, or is offensive in some manner. In this event, the viewer's eyes may remain focused on the screen, but her thoughts are elsewhere; she is no longer receiving the message the commercial is trying to convey.

This is only one of an infinite number of scenarios. Sometimes the viewer has decided to get up and go to the kitchen or bathroom when the next break occurs and does just that, even if the first commercial looks interesting. For those who remain, there are innumerable distractions; someone engages the viewer in conversation, the phone rings, the children get loud, etc. But just as often, and perhaps more frequently than most of TV's critics realize, the commercial attracts and holds the viewer's interest because it has a nice jingle, beautiful people or tells him something he did not know and might like to learn more about. What happens next is the question that concerns most advertisers.

There is ample evidence that contemporary TV commercials work. One of the most compelling was presented in the book, **When Ads Work, New Proof That Advertising Triggers Sales** (Lexington Books, 1995) by Professor John Philip Jones of the Newhouse School of Public Communications, Syracuse University. Jones analyzed 1991 findings from a 2,000-home subsample of a household panel recruited by Nielsen, who used UPC scanners to record all of their packaged goods product purchases over a one-year interval. In addition, the TV set usage of each household was monitored through meter installations, so the researchers could correlate sales with commercial exposure patterns for individual brands. Taking 78 brands in 12 packaged goods categories across a full year, Jones determined that homes with one opportunity to see a brand's commercial in a given week were 11% more likely to purchase that brand on the next week's shopping occasion than those that were not tuned in when its ad message aired. Homes that were exposed to the average brand's ad message two or more times in a week were 18% more likely to buy it than the unexposed group.

Utilizing the same Nielsen panel, another researcher, Kenneth A. Longman ("If Not Effective Frequency, Then What?" **Journal of Advertising Research**, July-August 1997) isolated a set of large packaged goods brands, noting that, when shopping 1-7 days later, homes that were exposed to their TV ads once in a given week were 31% more likely to buy the brand than the unexposed segment of the sample. But this did not mean that all ads were effective. Indeed, when Longman differentiated between positive and negative impact ads, he found that the former produced a 51% sales "lift" after a single weekly exposure, while the latter turned off shoppers, producing 9% less sales than were registered by those who did not see the brand's ad.

Analyzing their data, virtually all of the scanner panel researchers have observed that commercials for new products produce significantly better short-term sales results than

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those for older, established brands. Even among the latter, however, smaller brands tend to benefit far more than larger ones in terms of immediate sales gains among those who are exposed to their commercials. However, such findings should always be tempered by the realities encountered in the marketplace. Even though a new brand's commercials are more interesting to consumers (due in large part to the novelty effect), this alone does not ensure long-term sales success. If the new brand is outspent by incumbent labels in the product category, the newcomer's gains at the beginning of its ad campaign may be offset over time by the sheer weight of competitive advertising and promotional efforts. Similarly, a small brand may induce 10-15% of those who see its commercials to buy it the next time they go to the store, but if its ad budget is of such modest proportions that relatively small numbers of consumers are exposed to its ads—and on fewer occasions than its larger competitors—as the weeks and months pass, the big spender's ads may drown out the small fry's campaign. Across a full year, the total picture, including consumers lost to rival brands as well as those gained, may reveal a far less dramatic sales increase.

Scanner panel studies offer additional insights about the impact of television advertising. Often, when one or more brands in a category radically increase ad spending, the whole category's sales are affected. Brands that double their television advertising may increase their sales by 10% or more, but even those that maintained their previous spending levels are likely to score 1-3% increases, benefiting by a temporary category-wide "carryover" effect. Moreover, there are long-term benefits to increased spending. When ad campaigns prove effective, brands may register first year sales increases of 5-7%, and even after they return to their traditional media budget levels, still show residual sales gains of 2-3% a year or more later.

As in the past, contemporary researchers frequently ask people their opinions of the advertising announcements they have seen and, contrary to what might be expected, a majority of the comments are positive rather than negative in orientation. The reasons cited for enjoying commercials or finding them informative fit into neat stereotypes. Messages featuring clear and simple demonstrations rate well, especially when their claims jibe with the viewer's personal experience with the product. And humor is an effective tactic, provided it is handled cleverly. Viewers also respond positively to catchy music and cute children, to animals or cartoons, and to stars or well known personalities who endorse products in a dignified or relevant manner.

When viewers find fault with commercials, their complaints also have a familiar ring to them. Annoying messages are decried for being too intrusive or having nothing new or meaningful to say. The verbatims typify the viewer's lament: "I've seen it before"; "It's the same thing over and over"; "It's too loud"; "It's exaggerated"; "Every product makes the same claims"; "It's silly and irritating"; "The product is misrepresented"; etc. Offensive commercials line up on a parallel track. Some viewers are angered by lingerie advertising or beer or wine commercials, either on moral grounds or because they don't want their children to be influenced by them. "Sexy," "vulgar," "tasteless" and "pornographic" presentations are criticized—often vehemently—along with those featuring irresponsible behavior. Last but

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not least, some commercials are rated as "offensive," rather than the milder "annoying," because they are so stupid that the viewer felt she was being taken for an idiot and became upset about it.

Analysts who scrutinize such data frequently discount the findings because all too often the public's general antipathy towards certain forms of commercials is not borne out when such approaches are utilized by advertisers. Often, the product category suffers from a negative aura, which combined with past disappointments over exaggerated efficacy claims, produces an ingrained credibility gap for its advertising. Viewers have long memories, and their receptivity to advertising claims is affected by past experience with the product. Hence consumers tend to be skeptical when rival airlines tout the "comforts" and "excellent food" they offer; similarly, advertisements by banks that purport to care more about their customers are viewed with cynicism.

Headaches are an even less pleasant subject than banking or flying and most pain relievers address their claims to that segment of the audience that is acutely concerned with the problem. Chronic sufferers may account for only 5-10% of the people who see headache remedy commercials while an even smaller proportion are currently dissatisfied with their current brand, hence receptive to the claims of a competitor touting a new ingredient that promises relief. Though few headache remedy messages win awards for their artistry and viewers are generally antipathetic towards them, these commercials score their points by featuring people in pain who try the advertised product and then praise its performance. Such scenes mimic the acute distress some viewers suffer, which makes the efficacy pitch more poignant. If the message induces slightly more product users to switch to its label than are lost because of similar campaigns waged by rival brands, the advertiser's sales will increase. Relatively modest incremental gains sustained over long periods can make an over-the-counter medicinal brand extremely successful, particularly if its claims are backed up by actual performance. Moreover, the loyalty of current users is reinforced whenever they see one of their own brand's commercials on the tube. Mirroring the viewer's experience with the product, the actor on the screen gains relief by using it; in this manner the commercial performs both an offensive function, by luring buyers away from other brands, as well as a defensive function, by preventing defections from its own camp.

The most striking contrasts to such products are "fun" or "reward" products such as soft drinks, pizza, light beers, snacks and candies. Though viewers often feel guilty about consuming these products, such items are perceived as relatively harmless ways to extend or enhance the pleasurable sensations people feel when they relax or are at play. Advertisers cater to these emotions by featuring humorous scenarios or fun-and-games situations in their messages; viewers respond in kind, invariably rating these commercials as "amusing" or "appealing." The ability of such campaigns to generate high awareness levels is evident in almost all of the impact testing systems. Commercials of this sort make audiences feel good; as they watch, audiences lower their defense barriers since the products evoke lighthearted feelings, and the humor, music, or visual imagery is sensually enticing. But often, there is confusion about the advertiser's identity and many fun product campaigns fail to motivate consumers to select the advertised brand over competitive labels that are seen as offering the same values.

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Attempts to evaluate the effects of individual executional elements—such as humor, distinctive musical themes, comparative product demonstrations or celebrity endorsers—frequently flounder because viewer response is a multifaceted phenomenon that depends on the totality of the advertiser's presentation, the realities of a competitive marketplace and the consumer's own attitude or mindset. Nevertheless, some researchers continue the quest, searching the data for consistent relationships between generic approaches used in many commercials and the reactions they produce. One of the most interesting examinations of the interactive effects of executional variables and advertising impact measurements was conducted in the mid-1980s under the auspices of The Marketing Science Institute (MSI). The primary database was advertising impact findings for 1,059 commercials in 115 product categories obtained by The Research Systems Corporation's copy testing service between 1980 and 1983. Using a laboratory-style screening methodology, this company invited samples of up to 500 people to view programs that contained commercials whose impact was assessed on three counts: recall, comprehension of sales points, and persuasiveness (based on relative brand preferences before and after the screening). With Research Systems' cooperation, each of the 1,059 commercials subjected to its tests was viewed by panels of trained coders (chiefly university students) who typed them against a standard list of 155 executional elements. Once this task was completed, MSI's researchers were able to correlate the recall, comprehension and persuasiveness measures performed on each commercial with the nature of its execution as defined by the coding/typing phase of the study.

The evidence gathered by Research Systems Corporation and other copy testers paints an intriguing picture of the comprehension and motivational process. As viewers begin to understand the advertiser's message they gauge its relevance to their own needs or situation. But consumers are wary of false promises and therefore reluctant to change brands impetuously. The persuasiveness correlations thus reveal a heightened response when the parent company is clearly identified, as if viewers pondering a brand's proposition are asking themselves: "Who makes this product? Is it a reliable company? Can I trust them?" The data suggest that just a few viewers (perhaps only one in twenty) will progress to this stage as they watch a commercial or, immediately afterward, as they consider its message. But unlike the majority of viewers, whose attention is held primarily by the entertainment aspects, potential brand switchers pay particular attention to product use demonstrations, efficacy or convenience claims and any research that documents these benefits. At this stage the viewer's deliberations are less affected by the creative "hooks" (humor, celebrity endorsers, music, etc.) that first caught his eye and helped communicate the brand's sales message. The progression of statistical correlations—from recall to comprehension and finally to persuasiveness—describes a paradoxical flow of effects. On the one hand, a presentation emphasizing too much information at the expense of the entertainment aspects may turn people off before the message has time to be absorbed and make a sale. On the other hand, commercials that rely too heavily on humor, music, celebrities, etc. to gain recognition and maintain the viewer's interest may distract audiences from considering and comprehending their claims.

Though some think otherwise, most Americans pay attention to commercials about products they are interested in; still more are snared by creative executions even when the product is

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of little consequence to them. A good guess is that the typical viewer notes about two-thirds of the commercials in the programs she watches; many of these are repeat exposures to messages previously seen, but the surveys report that 25-30% of the commercials remembered by viewers are new to them, hence there is a constant intrusion into their consciousness as advertisers herald new products, or the repositioning of old ones. Some viewers are painfully aware of this ongoing propaganda flow and some consciously resist it as an unwarranted intrusion; yet the research reveals that the majority of Americans takes a more flexible view. Most of us are educated, amused, emotionally stirred and influenced by television advertising—more so than we realize or would want to admit to an interviewer.