



action line

occasional news and notes from action marketing research

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A Living Legend

Unless you have paid close attention to controversies in the field of "marketing science", the name of Andrew Ehrenberg may not be familiar. Nevertheless, he has had a great deal of influence on research practice in his 50-some years of activity.

We would refer you to an autobiographic essay in the Winter 2004 edition of the AMA's *Marketing Research* magazine. Ehrenberg highlights a few of his most-important conclusions, with which we tend to agree.

- There is little or no "brand segmentation." People buy different brands for largely the same reasons, and in most categories it is hard to sustain objective product differentiation. Thus a brand can rarely "own" a segment for long.
- Advertising does not do that much to persuade consumers. Its function is more that of publicity to keep a product in the consumer's consciousness and make it salient to him or her.
- Consumer purchasing, notably of packaged goods, follows predictable statistical distributions (Negative Binomial, Dirichlet). One phenomenon accounted for by these models is what Ehrenberg calls "double jeopardy", whereby brands with larger shares enjoy higher repeat rates.



Onward, Online

As announced in this space recently, we have upgraded our capacity to host online surveys. We can now support surveys with up to 500 questions—we hope never to have to, but had sometimes bumped into the upper limit of the previous version of the software.

There are two main scenarios for hosting online surveys ourselves. More commonly, we contract with a national research panel to supply respondents. They are invited by e-mail (having opted in to receive such invitations). Less often, a client has a list of customer e-mail addresses which they invite to participate.

A final option is to link the survey to a web site, to which a sample visitors is invited. This is becoming less viable due to pop-up blocking software, but can still be useful.



On Our Web Site

We, of course, maintain a company web site (URL below). It is intentionally modest in scope, but we would remind you of some of the resources available there.

They include past editions of this classy newsletter, short methodological notes, and longer methodological notes. One of the most popular is a paper that describes discrete choice analysis in largely non-technical terms (first written almost ten years ago). See www.action-research.com/discrete.htm

Marketing Drivers

McCann Worldwide, a major agency, counts seven "Universal Marketing Drivers." These are "levers" a brand employs to drive sales, and their levels are measurable in theory. Quoting from the September 2004 *Journal of Advertising Research* they are:

- Brand Awareness: Keeping the brand name on people's minds
- Emotional Bond: Forging a connection with people's hearts
- Product News: Creating new relevance through news and innovation
- Activation: Encouraging immediate usage or purchase
- Loyalty: Developing customer relationships and retention
- Product Experience: Enabling prospects to sample, try, or use a product
- Buzz: Building credibility through third-party sources industry, government, word of mouth



Substantiating Claims

Research intended to substantiate a claim being made in advertising or packaging is subject to close legal scrutiny and needs to follow very strict protocols. The Federal Trade Commission is often the final arbiter of what may be said in media advertising.

The law clearly distinguishes general puffery ("tastes great!") from implicitly factual claims ("shaves closer than any other brand"). Your firm must be able to substantiate the latter type of claim with credible evidence. That evidence could be clinical or physical in nature, but we marketing researchers are often called in to support claims about consumer preferences. Chances are your legal department—and/or your agency's legal counsel—will be closely

involved with any claims testing. They may not fully understand the nuances of survey research, but they should know what it takes to satisfy the FTC.

Here are a few pointers for researchers.

Most claim substantiation research involves sampling, and must therefore employ strict standards of significance testing. That typically means rejecting a null hypothesis (say, of equal preference) at $p < .05$ or better.

There is no minimum sample size, but it is harder to detect significant differences with small samples. A statistician can advise you on the magnitude of observed differences you would have to see in order to claim significance at various sample sizes.

It is best to use unequivocal, discrete measures such as preference (A vs. B) as opposed to rating scales or "modeled" numbers such as conjoint utilities.

Any data you collect as part of a claim substantiation study is open to regulators and to competitors who may challenge the claim. That means you can't "cherry pick" favorable findings and bury the rest. Therefore, the smartest approach is to ask a minimum number of questions. If you win on preference but appear to be at parity on a bunch of attribute ratings, the latter data could sink your hope for making an ad or package claim.

What constitutes an adequate and representative sample is always subjective. A test done only with your employees or current customers would not hold up!

The Nose Knows

A colleague, retired from a major package goods firm, tells us that the indicator consumers use to judge which laundry detergent cleans best is—smell. They can't always tell what is "whiter", but they can smell it. Research thus led to testing to see which fragrance smells cleanest!