



THE CLINIC
FOR AGENCY
ASSESSMENTS

Everything can be measured

80 years have passed since that famous quote “Half the money I spend on advertising is wasted. The problem is I do not know which half.”

Whether the quote should be attributed to John Wanamaker (the Philadelphia department store magnate) or Lord Leverhulme (the British soap king) is a bit of a mystery. The British think it is his Lordship, but David Ogilvy in “Confessions of an Advertising Man” attributes it to Wanamaker. We will never know for sure.

What progress has been made?

A lot was made in the 1970’s, 80’s and 90’s. Academics theorised on how advertising works; market research companies developed ad testing techniques; other research companies developed brand tracking and retail sales measurement tools. Most markets were in growth and were responsive to advertising – particularly television, with its frequently instantaneous results. Account Planners learned to produce persuasive evidence of campaign effectiveness. So, by the mid 90’s we had a much better understanding of the effectiveness of advertising.

Since the millennium we have seen a dramatic change in how advertising works and how to measure its effectiveness. What’s changed?

1. The worldwide web has led to an abundant choice of digital media channels. Audiences in traditional media are declining.
2. On-line marketing activity has opened up new opportunities for measurement.
3. It has also led to accessibility of market and product information that has changed the role of advertising as an information source.



4. Most markets in Western economies are now mature. There is less natural growth and, with parity products, advertising has less effect on attracting new users or brand switching.
5. Consumers are better informed, more cynical about brands and advertising, and less easily persuaded.
6. Measuring the effect of multi media campaigns is much more difficult than measuring the effects in one medium.
7. Theories of how advertising works are being re-written. “Consumer dialogue” is now thought to be the way to build brands. Robert Heath’s “Low Involvement Processing” theory in his excellent book “The Hidden Power of Advertising” challenges traditional theories of how advertising works. But, if the power of advertising is hidden, how the hell do we measure it?

I have never seen a campaign that *can't* be measured. The barriers are cost, time and commitment. But if a campaign cannot be measured, or is not going to be measured, it shouldn't run. If you don't know the results how can you justify the investment? How can you learn?

The key to campaign evaluation is to set measurable objectives for each component of the campaign. And to make sure measurement tools are in place. *Every* brief should conclude with a section headed “How will we recognise success?” Agencies should commence every brief by making sure they will collect sufficient data to enable them to win an effectiveness award (even if they don't enter).

I suspect that there is even more ineffective advertising today than there was eighty years ago. Most of that is for age-old reasons – poor brand positioning, inaccurate targeting, dull creative, inappropriate media selection, inadequate budgets, unrealistic expectations etc.

However, any company that thinks half its advertising is wasted, but doesn't know which half, is simply not making enough effort to measure it. There is no excuse today for not knowing whether it is working.



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