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How Effective Is Advertising?

By Erik Wilberg

Most people will probably agree that the only way to tell if an ad was effective is to wait out the results at the cash register in the store. But that is not always enough for the advertiser who is planning his marketing efforts across many different media. There are many ways of researching ads both pre and post, reducing the risk of the media investment and improving the marketing through the local newspaper.

During the last two years, a new and innovative system has been invented in Sweden, one of the most newspaper reading countries in the world with an average daily readership of 82 percent.

Combining the newspaper readership with the high rate of Internet penetration in Swedish households (78 percent of population has access to the Internet), a system has been developed that gives the best from two worlds. An advanced advertising response research has been made available to small- and medium-sized newspapers.

The method, called RAM (Research and Analysis of Media), works this way:

A panel of 800 to 1,200 readers are recruited by ads in the newspaper or on the newspaper's web page. By signing up, (usually for a small prize or extension of subscription period), they are required to give some information about themselves — age, education, income, and interests.

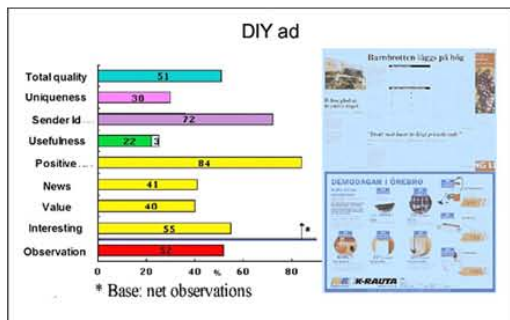
When an advertiser wants to test how the ad was, he places a research request on the RAM web site, also sending a digital picture of the ad itself, the front page of the newspaper, and the page where the ad was printed (unless it was a full-page ad).

Then an e-mail goes out to the RAM panelists, and they have 24 hours to complete the questionnaire presented to them when they log on to their part of the RAM web site. SMS (short message service) on the mobile phone is also used to attract attention and remind the panelists.



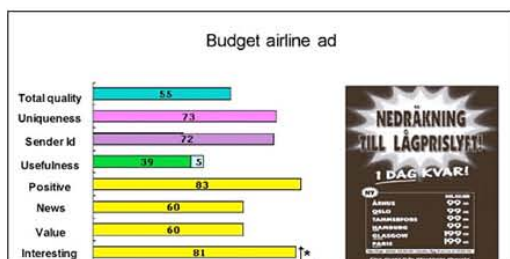
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The next morning the newspaper has access to the data from the research and can present the results to the advertiser. Results of an ad printed in the Monday morning newspaper can be presented to the advertiser on Wednesday morning, meaning it takes 48 hours to complete a round of ad research. Here are two examples:

Figure 1: This half page ad for a do-it-yourself store was observed by 52 percent of the respondents (bar at the bottom of the graph). More than half of these found the ad interesting, 84 percent found it positive, 72 percent recognised the advertiser (sender ID). The score for usefulness (will buy now or maybe later) is at 22+3 = 25 percent.



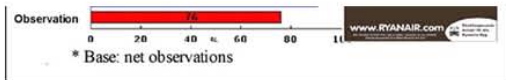


Figure 2: This next ad for Ryanair, the Irish low-price airline, was a full-page ad. It drew attention from 76 percent of the respondents and had high scores on all the criteria. A combined score of usefulness (44 percent) is very high and will probably lead to Ryanair filling up their planes from Sweden.

We have many examples of using the ad research as a sales tool, giving the advertiser an ad research score rather than knocking down the price further.

Most of the large Swedish newspapers are using this system now and are developing presentations for their advertisers. And by using the web as the vehicle for the research, the cost of running the system for the newspaper is very low. The marginal ad researched will have a price tag of US\$150 to US\$200.