

IMPACT OF BEEF PROMOTION

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There are many important factors in assessing the effects of advertising:

- Breakthrough
- Growth of awareness
- Effect on attitudes
- Effect on purchase

Breakthrough is the ability of a commercial to make an impression on the viewer. American consumers are constantly bombarded by advertising. As a natural response to this, we all tend to "filter" these out, to ignore them. Effective advertising has to break through the clutter of advertising and be received into the consciousness of the viewer. Breakthrough is usually assessed in a test situation as the percent of a sample who can recall the commercial in the context of a whole reel of "clutter" commercials.

Breakthrough is essential to "advertising awareness". Advertising awareness is defined in terms of the percent of a sample who can recall seeing a commercial on TV or in print and is able to tell something about its content. Awareness grows gradually over the initial period of an advertising campaign, reaching a peak that is usually commensurate with the amount of media dollars spent.

Most advertising is designed to affect attitudes. The reasons for this are complex, but cogent. Basically, most products which are advertised are very important to the advertiser, but are unimportant to consumers: deodorants, detergents, cake mixes and of course beef. For this reason, it

is much easier to influence attitudes about these products than about things such as politics or religion. We can assess the effect of advertising on product attitudes with a good degree of reliability.

However, it is far more difficult to determine the effect of advertising on purchase behavior. There are many factors, other than advertising, which determine purchase. Factors such as supply, price, lifestyle, demographics, personal preference, large-scale social trends, competitive advertising and promotions, etc. Because of this, the relation between advertising and purchase is hard to assess with a high degree of reliability. And finally, it is currently impossible to know the precise relationship between attitudes and behavior. Social scientists have been studying and debating this question for at least one hundred years. Thus far there is no definitive answer. However, it does seem that a change in behavior lags behind a change in attitudes. That is, human behavior carries a certain inertia that slows behavior change, even after attitudes have changed.

BIC ADVERTISING RESEARCH

In the past three years, the BIC has carried out several studies designed to assess these different aspects of consumer advertising campaigns for beef. There are four major sources of research to draw on in gaining a clear overview of these factors:

- Copy testing
- The Advertising Tracking Study (Walker)
- The ROI Analysis of the Behavior-Scan Data
- The Consumer Climate Studies (1985, 1987)

In thinking about this research, it is important to keep in mind the purpose of the advertising. In the case of beef, the

"Good News" and the "Real Food" campaigns have both been designed to affect attitudes. It is assumed that changing attitudes by making them more positive will in turn influence purchase behavior in a positive direction. There are two major reasons for this decision. One is that the beef industry had been suffering from "bad press" for a number of years, producing a profound negative effect on consumer attitudes about beef. The second reason is that beef already enjoyed very high penetration (93% of households use beef) and frequency of use (6 times in two weeks). These conditions make it very difficult for advertising to increase gross volume more than a small amount, especially in the short term of three or four years.

Putting both of these together, perhaps the most we could realistically expect from advertising is that it would help maintain beef's market position, counter-acting the erosive effects of negative publicity.

Advertising Breakthrough

In order to test breakthrough, advertising is subjected to copy-testing. This is done in a test situation in which a consumer is shown the test commercial embedded in a clutter reel of other commercials. The test commercial is evaluated in terms of the percent of the sample who remember seeing it after one viewing, and can recall some of its content.

Copy-testing for the "Real Food" commercials consistently shows that the selected commercials are at or significantly above the norm in breakthrough for food and meat commercials. This information is not only useful in selecting commercials for airing, but in predicting how they will be received by the general public.

Copy-testing also allows us to determine the specific message that is communicated in the commercial. When a commercial is developed, the sponsors have in mind a message they want to communicate to the viewer. However, there is never any guarantee that the message is what will be received. In copy-testing for the "Real Food" campaign, the successful commercials have clearly communicated a message of the positive image of beef: taste, nutrition and fit with modern lifestyles.

Growth of Awareness

Another aspect of awareness is the long term build for a given campaign. This has been measured through the tracking study (Walker). This study has shown awareness to grow consistently over the last three years.

	Date			
	5/85	1/87	6/87	5/88
Awareness of Beef Advertising	35%	55%	73%	88%

Of particular interest is the significant growth since January of 1987, at the introduction of the "Real Food" campaign.

This significant growth should slow down soon.

Advertising awareness for many products peaks in the 70% range, and may show only small growth after that. Unless the ad campaign changes significantly, the important task then becomes to maintain that awareness.

The level of awareness achieved for the "Real Food" campaign is especially significant in light of the small media budget for this campaign. In 1987, the beef budget was only \$26 million. The latest Walker tracker study shows that milk commodity advertising has an awareness of 81%, but milk has an estimated budget of \$80 million. Branded products of competing meats have much larger budgets. For example branded chicken products have an estimated budget of \$60 million and an awareness level of only 59%.

Effect on Attitudes

After obtaining awareness, advertising must affect attitudes if it is to affect behavior. Effect on attitudes is measured directly in the Walker study, and indirectly in the Consumer Climate study.

The Walker study clearly demonstrates the positive effects of the beef ad campaigns on consumer attitudes about beef. The following table show the difference in positive attitudes between people who are aware of the advertising and those who are not aware.

The pluses show that the aware group has consistently more positive attitudes than the non-aware group. Not all of these differences are statistically significant. However, what is significant is that they are all in the same direction, and that this same finding has been seen over three measuring periods.

DIFFERENCE BETWEEN "AWARE " AND "NON-AWARE"

	Date			
	3/84	2/85	6/87	5/88
Agreement that beef is:				
Good tasting	+4	+9	+7	+7
Good source of nutrients	+8	+2	+10	+4
High quality food	+5	+4	N/A	N/A
Fits into lifestyle	-2	0	+5	+8
Important part of				
balanced diet	+8	+11	+9	+5
Good value for money	+1	+2	+4	+6
Is leaner	+3	+2	+9	+12
Makes a light meal	+10		-5	+6
+7				

The Consumer Climate study provides an indirect corroboration of the effects of advertising on attitudes. Between 1983 and 1985, the study showed a profound erosion in attitudes about beef. However, in the 1987 Consumer Climate study, there was a stabilization of attitudes about beef, and some small suggestion of a turn-around toward better attitudes.

CONSUMER CLIMATE DATA

	Year		
	1983	1985	1987
% Who agree that:			
Fresh beef is:			
Very nutritious	62	40	48
An important part of a balanced diet	39	28	36
A main meal must include meat.	34	28	24
I plan to cut down on meat for health reasons.	19	26	27

It is significant that the data suggest a stabilization in attitudes between 1985 and 1987. It was in January, 1987 that the beef advertising and public relations efforts of the beef industry were increased significantly over previous levels. This strongly suggests that the effects of this advertising and promotion have been positive and strong.

In addition, the "Real Food" campaign has bought the beef industry a great deal of free publicity and public relations. The interest generated by the campaign has spawned increased print coverage of beef with stories of interest to consumers. This in turn has spawned the "Beef is Back" image to consumers.

Effect on Purchase

Advertising effects on purchase of a long established product like beef are very difficult to determine. This is due to the intervening variables discussed earlier. Thus even if research can show increased purchase during a period of advertising, there is no way one can be sure this was due to the advertising.

Nevertheless, the BIC has attempted to measure the relationship between advertising and purchase. Some of the measures show that advertising is related to purchase, and some of them do not.

The Behavior Scan data, analyzed in the Return-On-Investment study (ROI), suggest that advertising has no effect on beef purchase. The data in the table below compare three groups - no advertising exposure, light exposure and heavy exposure. Reading across the table in the row marked "Year I", there are no discernible differences among the groups in their volume purchased in each 4-week period of the test.

ROI ANALYSIS: AVERAGE POUNDS PER 4-WEEK PERIOD

	(No Ads)		
	Control	Light Ad	Heavy Ad
Pre-Ad phase	5.62	5.58	
5.75			
Year I	5.99	5.89	5.84

However, there is another issue which is not captured in this table, the issue of "advertising decay". Advertising decay is the assumption that purchase will decline when the advertising "goes off".

The importance of this is shown in the study. In Year I, there were the three groups: no ad, light ads, heavy ad groups. However, in Year II, the light and heavy ad groups each received the same "moderate" level of advertising, between the previous levels of light and heavy exposure.

When this was done, the level of purchase of the "heavy ad" group declined significantly. This is seen in the table below, reading down the column marked "Heavy Ad". This shows that, when their ad exposure was cut significantly, the heavy ad group showed a sizable decline in purchase volume from Year I to Year II, when compared to the no ad and light ad groups.

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	Control	Light Ad	Heavy Ad
Pre-Ad phase	5.62	5.58	
5.75			
Year I	5.99	5.89	5.84
Year II	5.88	5.85	5.51

This result is meaningful because it suggests what might happen if we did not advertise. By going from a heavier advertising level to a lighter level, we could expect a negative effect on purchase: that household purchase volume might actually decline.

The data in the Walker Study address purchase volume from a different perspective. According to these data, advertising awareness is related to purchase frequency. The table below shows that among people who are aware of the advertising, the medium user group has grown by 10% in a year and a half, at the expense of the light user group. This change is not seen among the non-aware group.

	2/86	1/87	6/87	
	Not Aware	Not Aware	Not Aware	Not Aware
))Q				
User Category:				
Light (0-2)	47	52	40	50
46				
Medium (3-4)	36	33	39	34
34				
Heavy (5+)	17	15	21	12
19				

In order for a person to be classified as a medium user, he/she must use beef a minimum of one more occasion per two weeks than a light user. So the data suggest that 10% of the aware people are now using beef one additional time each two weeks.

To further complicate the picture, an ad exposure test

points to the beneficial effects of advertising. This test shows the relationship between heaviness of advertising and volume sales by households. The four groups in the table below each saw a different number of advertisements in the test period. The heaviest exposure group bought significantly more beef per household than did the other groups.

the growth of beef stories in food pages of newspapers and women's magazines.

The fourth aspect of advertising - effects on purchase - can be assessed only indirectly. In this area, the data are contradictory. However, the second half of 1987 and the first half of 1988 have seen prices remain high even though beef and total meat supply has been in a high cycle since 1980, according to Tommy Beal of Cattle Fax. This suggests that something is driving demand. It is probable that the advertising is contributing to this phenomenon.

	G1	G2	G3	G4
1986:				
Mean exposures	5	11	19	45
Ratio: HRS/ADS	1: 395		1: 213	1: 140
1: 68 Pounds/HH	68		80	70
97				
1987:				
Mean exposures	4	10	16	27
Ratio: HRS/ADS	1: 416		1: 224	1: 177
1: 130 Pounds/HH	72	77	67	75

In the 1987 period of the test, the heaviest ad group saw only half as many commercials, and their volume sales fell off sharply. The other three groups were not affected very much because their exposure rate did not vary significantly from the first year.

Considering both years together, this data suggests that the amount of exposure to beef advertising does have a profound effect on beef purchase volume.

Thus on the most difficult aspect of advertising to assess - relationship between advertising and purchase - the studies that are available support conflicting conclusions.

SUMMARY

Four aspects of advertising were discussed. For three of these, in which it is possible to directly assess the effects of advertising, the data indicate that the beef advertising campaigns are having positive results. The ads perform well in breaking through the clutter of other commercials, and are well liked by consumers. Advertising awareness has grown steadily and significantly, especially considering our small media budget, and advertising has important, consistent, positive effects on consumer attitudes.

In addition, the newest campaign, "Real Food", has brought a tremendous amount of free publicity and public relations for the industry, having positive effects on consumers and industry segments alike. The use of celebrities has brought national media attention to the campaign as evidenced in media coverage. The campaign has also fueled the "Beef is Back" phenomenon, shown in