



university of
 groningen

faculty of economics
 and business

customer insights center

How advertising works

What works, what doesn't and why

Prof. dr. B.M. Fennis
 Prof. dr. P.S.H. Leeflang

Report RUGCIC 2015-01-08
 ISBN 978-90-367-7635-6





Table of contents

✓ Summary	page 3
✓ Advertising: what do we actually know?	page 10
✓ Hurdle 1: how consumers acquire and process information from advertising	page 19
✓ Hurdle 2: how advertising attracts the attention	page 25
✓ Hurdle 3: how advertising creates understanding of a message	page 33
✓ Hurdle 4: how advertising makes consumers think	page 38
✓ Hurdle 5: how advertising convince	page 43
✓ Hurdle 6: how advertising creates action	page 48
✓ Results of measurements	page 51
✓ CV of the authors	page 68
✓ Main references	page 71
✓ Customer Insights Center	page 77



university of
 groningen

faculty of economics
 and business

customer insights center

Summary

How advertising works





Summary: what do we know about advertising?

- › This question is current and urgent for companies, given the large number of advertising incentives in the market and the amount spend that on advertising that grew along with it.
- › Insights how advertising works can be obtained from empirical research which has starting points in diverse various disciplines
- › Advertising can be seen as an athletic course in which the following hurdles need to be taken into account to convince customers:
 1. “picked up” from the area,
 2. attract attention,
 3. create understanding,
 4. make them think,
 5. convince,
 6. stimulate action





Summary: how does each advertising hurdle works?

- › Although, customer hurdles can have a different order and can skip hurdles, we take this model as starting point*.
- › In principle, the hurdles are applicable to all forms of advertising, including commercial communications via Social Media**.
- › The the last part of this report, we focus on the effects of advertising on various measures



*Vakratsas, Ambler (1999)

**Visser, Sikkenga (red) (2015, p. 95)



Summary: how does each advertising hurdle works?

1. To be noticed, the arrangement of text and image relative to a brand name is especially important.
2. The attention for an advertising message is related to the (new) information that the message contains.
3. Create an understanding can be stimulated by repeating the advertisement, resulting in involuntary acceptance of the message.
4. To get the customer think about the brand, the advertisements can use attractive graphics (if relevant to the product) or asks (rhetorical) questions. Most important: whether the advertising message contains relevant information for the customer.



Summary: when do advertising hurdles work?

5. Advertising can convince consumers via two routes: the central route where relevant information about the brand is important, or the peripheral route where 'side issues' in the message play a greater role.
6. Advertising that is relevant to the recipient and/or contains new information follows the central route and can be very effective.
7. To stimulate the customer to get into action, advertising can use subtle hints on the place of action, or communication strong brand claims when the involvement is high enough.



Conclusions and recommendations

- › Advertising effect is a hurdle race: specific advertising elements can be helpful in taking a hurdle
- › Sometimes, one element can pass multiple hurdles
 - An attractive model can convince (via the peripheral route) and seduce to think about it.
- › Please note that all hurdles are relevant to advertising effectiveness, but not all hurdles must be taken in order to be effective, this is an insight since the AIDA model.
- › Hurdles are in principle applicable to all forms of advertising, including commercial communications through social media.



Conclusion and recommendations

- › Hurdles may be compatible, but not necessarily (for example, appeal to fear can lead to attention, but can also be a negative attitude).

- › So: advertising works best if one hurdle is made as the core objective of the campaign.
 - Sometimes, “effectives” is defined as creating “awareness”. To get and keep attention is then enough and the other hurdles aren’t necessary.
 - Sometimes, effectiveness is defined as stimulating behavior. A nudging approach might be enough, but is seducing to think of or any other hurdle not always necessary.

- › In short: the effectiveness objectives determines which hurdles need to be taken and in what order.



university of
 groningen

faculty of economics
 and business

customer insights center

Advertising

What do we actually know?

