No advertiser wants to continue to spend media dollars on advertising that is no longer working, but when is advertising worn out to the degree that it bears replacing? And, what does advertising wear-out mean anyway?

Our definition of advertising wear-out: When the media dollars expended are no longer delivering a positive ROI.

One approach to determining whether advertising that once worked should be replaced is to examine the gains being produced by the existing (‘old’) advertising as compared to the potential gains that would accrue from ‘new’ advertising. For a discussion that focuses solely on wear-out (and does not introduce the variable of creative quality), this calculation assumes that:

A. The ‘old’ advertising was at one time effective, and;
B. The replacement advertising would start with the same level of persuasive power as the original advertising had upon introduction.

Before delving further into a discussion of advertising wear-out, it is important to separate wear-out into two levels, each of which involves a different set of dynamics and decision criteria:

**Campaign wear-out:** the existing campaign is no longer working; it’s time for a change.

**Ad execution wear-out:** the campaign concept is still sound, but certain individual ad executions no longer have the persuasive power that they once did.
In a recent Communicus research review, we examined 109 campaigns that ran for two or more years and were proven effective in the marketplace in their first year.

- All showed continued success in their second year

**However, all were eventually discontinued.**

- In 26% of these cases, the change was made because the campaign strategy was deemed no longer relevant.
- The remaining 74% of cases (81 campaigns) represented situations in which the change was somewhat arbitrary.
- Of the 81 arbitrary campaign changes, Communicus measures found that the new campaign performed as well or better than the one it replaced in only 20% of the cases!

**Reasons for a new campaign:**

- **26%** Strategy no longer relevant
- **74%** Arbitrary Reasons

**Results of new campaign:**

- Of this 74%:
  - **80%** Under performed original
  - **20%** Performed well/better

How do you know if you need a new campaign? Here are some suggestions; you need a new campaign if...

- The existing one never worked very well; or...
- Marketplace changes dictate that a new strategy is in order; or ...
- Solid research data indicate that the campaign is no longer as effective as in the past, in spite of refreshments to the ad pool.
- But not just if management changes or gets tired of the existing campaign.
Commercial or Ad Execution Wear-out

While campaigns are changed too often, individual ad executions are frequently not changed enough.

Academic and practical debate on the optimal number of exposures to a single execution has gone on for years; some of those who have participated in the debate, and their respective points of view are as follows:

- MacDonald: two exposure opportunities with a purchase cycle
- Krugman: three or more exposure opportunities
- Naples: three or more exposure opportunities
- Behaviorscan: fifteen to twenty exposure opportunities
- ARS: 1250 GRPs achieves 60% wear-out

However, any discussion of the ‘right’ number of exposures for a commercial should examine two important events that occur within the lifecycle of a commercial: the awareness plateau and the onset of wear-out.

The Awareness Plateau
The awareness plateau is defined as the point at which a commercial ceases to add incremental awareness with additional media exposure (of course, the plateau level is not an exact point, rather the position on a curve at which the curve has flattened out to the degree that significant growth is no longer occurring).
After testing and re-testing hundreds of executions, we’ve developed highly reliable awareness curves that can tell you, given the characteristics of your particular creative and media buy, the optimal spending per commercial in your pool to maximize campaign awareness.

These curves will typically predict, with between 85% and 95% accuracy, whether a commercial has reached its awareness plateau or will show significant further increases in awareness with incremental media support.

Some factors to consider regarding awareness plateaus are as follows:

- Once you’ve reached this level, additional media exposures will not build incremental commercial awareness; that is, unless you implement changes to your media plan that result in significant change in the composition of the group that has exposure opportunities.
- Additional spending on the commercial will build frequency of exposure among those who have already engaged (which can strengthen persuasive impact).
- If the awareness plateau for a commercial is low, it’s not a good use of funds to build frequency against such a small base; revising the commercial or replacing it with an execution with greater engagement potential is recommended.

The Onset of Wear-out

A commercial is considered to be experiencing wear-out when it ceases to produce significant attitudinal or behavioral impact with additional media exposure.

As with the awareness plateau, the onset of wear-out is not represented by a single point, rather is more a process of gradually diminishing returns. For wear-out, we conceptualize the point on a ‘S Curve’ which a commercial has lost 25% or 50% or 90% of its persuasive impact.

 Persuasive Impact Among those Aware

<table>
<thead>
<tr>
<th>TRPs</th>
<th>100%</th>
<th>25% Reduction</th>
<th>50% Reduction</th>
<th>90% Reduction</th>
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Calculating Wear-out

Communicus research suggests that the TRP levels at which the wear-out curve come into play for a particular campaign are highly variable based on the creative concept, the pool size, the media mix and even the purchase cycles for a particular product category.

Further, most campaigns include a number of executions, each of which plays a role in producing overall campaign impact. Since launch dates and weight levels often vary, it is difficult for any in-market advertising research or tracking system to isolate and identify precise TRP points on the wear-out curve for specific executions.

On a general level, based on patterns of campaign impact for results across many campaigns for various brands, Communicus findings indicate that the ‘typical’ TV commercial begins to show signs of wear-out (that is, losing some portion of its persuasive impact) at about three times the TRP level of the awareness plateau for that particular commercial. So for example, a commercial that plateaued in awareness at 400 TRPs will begin to show signs of diminishing persuasive impact at about 1,200 TRPs.

However, the same commercial that begins to lose persuasiveness after 1,200 TRPs may in fact continue to hold some significant percentage of its persuasive power during a period in which many more TRPs are invested.

The advertiser will ultimately determine whether it is worth the production costs to replace a commercial when it begins to lose effectiveness versus continuing to utilize the execution until it has lost the majority or most of its persuasive power. An advertiser that desires to use an execution until it has lost, for example, 75% to 80% of its persuasive power may continue to air the commercial for up to six or seven times the TRP level of the awareness plateau. On this basis, a commercial that has plateaued in awareness at 400 TRPs may be continued with some persuasive effect until a level of 2,400 to 2,800 TRPs have been run.

If you begin to see or suspect signs of wear-out for your campaign pool, there are a number of strategies—short of replacement of the entire pool—that may help. For example, refreshing the pool with additional executions can actually help to ‘revive’ the original series to some extent. (Rarely is the best answer to develop a new campaign, as we hope you are by now convinced!)
Actual In-Market Advertising Impact

When a commercial is first aired, it takes some period of time to build to its maximum awareness level; this phenomenon is sometimes referred to as ‘wear-in’.

Since persuasive impact occurs only among those who have engaged with the commercial, actual advertising impact takes the form of a bell curve, building as commercial awareness builds, and beginning to decline once awareness has plateaued and wear-out starts to take effect.

The period between when a commercial has reached its awareness plateau and wear-out begins is the time during which the execution delivers its best ROI—each media dollar expended is producing the maximum possible persuasive impact among the largest possible segment of the target.

For the hypothetical commercial that has reached its awareness plateau at 400 TRPs, the best ROI would then be produced during the period which the TRP investment ranges from 400 to about 1,200 TRPs.
One way to expand the impact of a given commercial pool is to place individual executions on ‘hiatus,’ reintroducing them after some time has elapsed. For our clients who are seasonal advertisers, we have had the opportunity to identify the role played by a hiatus in the effectiveness of specific TV executions.

A typical commercial, assuming that it is targeted to the same group in the second year, cannot be expected to produce as much impact on the brand as when first introduced. However, its persuasive power is generally reinvigorated to some degree.

Performance of a typical TV commercial when re-introduced after hiatus is as follows (assuming about a six-month hiatus for a commercial that had already begun to exhibit significant wear-out during its initial exposure season):

- Commercial awareness will build rapidly in the second exposure period, plateauing in awareness at anywhere between one-third to one-half of the TRPs that it took to accomplish its initial awareness plateau.
- At the time of re-launch, the commercial will typically have about 25% to 40% less persuasive power than it had in its initial exposure period. The wear-out curve will begin to take effect sooner too, at about half the TRPs that it took to reach wear-out in the initial year.

So, while bringing back a commercial after hiatus is likely to result in some additional in-market impact, it is generally recommended that:

- Second season TRP levels be no more than about 50% of first season levels.
- A pool that includes recycled executions also include some that are new to the pool.

Further, our experience with campaign measurement tells us that persuasion is enhanced with:

- Exposure to multiple executions (seeing two commercials four times each is far more persuasive than seeing a single commercial eight times).
- Exposure to multiple media—this builds both campaign awareness and persuasive impact among those who have seen the campaign.

In Summary:

- Individual executions plateau and wear out more frequently than you probably thought.
- A good campaign can endure for far longer than many believe, particularly if refreshed with sufficient frequency.