Advertising Reach vs Frequency vs Cost Per Impression, or Should You Just Send in the Salesperson?

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It all started with a little question in the Telesian enews, an incredibly practical question that has major implications for your marketing budget, "Which is more important, reach or frequency or cost per impression?" I was sure this was a giveaway question. Little did I know that 99% of the respondents would answer incorrectly!

Before I tell you the answer, let's take a closer look at the debate. Note that this question applies to all advertising, whether they appear in magazines or on web sites or search engines. First, a few definitions.

**Reach** is the number of different people who are exposed to a particular message at least once.

**Frequency** is the number of times that an average person is exposed to a particular message.

**Cost Per Impression** is the price you pay for each person who is exposed to your ad.

Note that "exposed" is a bit of a vague term. In the online world, "exposed" means that your ad appears on a particular web page, but it doesn't necessarily mean that the person who viewed that page actually saw your ad. For instance, the lower your ad appears on the page, the less likely it is to be seen. In the physical world, "exposed" means the number of copies of a magazine or journal in which your ad was printed. Again, just because your ad appeared in the magazine, doesn't mean all the subscribers actually saw it. In fact, this is one of the issues that prompted the creation of "pay per click" advertising. With PPC ads, you only pay for people who actually see your ad and respond by clicking on the link. (Of course, this doesn't guarantee they carefully read the ad before they click!)

So, let's get back to our question, "Which is more important, reach, frequency, or cost per impression?" If we lived in a perfect world, you'd like to maximize reach and frequency and minimize costs. But ours is far from a perfect world; you're going to have to make some choices and tradeoffs.

**Cost Per Impression**

Let's start with cost per impression. If you're selling airport weather systems, would you rather run a reasonably priced ad in Airport Business Journal, or a ultra-cheap ad in TV Guide? Of course, the answer is, Airport Business Journal. Target your advertising to the media that reaches
your customers. Yes, be cost conscious, but don't let price sway you to a source that doesn't really reach your market.

**Reach vs Frequency**

In deciding reach vs frequency, let's take a look at one of the most brilliant ads I've ever seen. Picture an older gentleman in a suit sitting in an office chair. He says to you:

"I don't know who you are.
I don't know your company.
I don't know your company's product.
I don't know what your company stands for.
I don't know your company's customers.
I don't know your company's record.
I don't know your company's reputation.
Now, what was it you wanted to sell me?"

This ad by McGraw-Hill Publishing sums up the challenge. How can you get through to the typical business buyer? Will one ad do it? Will three ads have more of an impact?

A psychological theory developed by Dr Herbert Krugman, then head of market research at General Electric, argues that response to an ad goes through three stages. The first time it is seen, the respondent just asks, 'What is it?' On the second exposure, the viewer is able to evaluate the communication, 'What of it?' Having made sense of the message, the third exposure is merely a repetition and after this the subject begins to disengage.

At about the same time, in 1966, Colin McDonald, who worked for the British Market Research Bureau in London, carried out a research project for ad agency J Walter Thompson. This was a study of the relationship between advertising exposure and buyer behavior in a number of packaged goods markets. The study was supposed to show whether short-term advertising has an effect on purchasing behavior. The most famous finding of this study was related to the issue of reach vs frequency. According to the study, **one** exposure to advertising between two purchase occasions had NO positive effect on brand choice; **two** exposures had an effect, **three** had a little more effect; and **above three** exposures showed no additional effects.

So, for the last 30 years, the rule of thumb has been that frequency trumps reach and you need to get your ad in front of each prospect three times.

**Is Three a Magic Number?**

But the question of what frequency is still an open issue. For instance, advertising has a much greater effect on short-term buying behavior if it is closer in time to the purchase. Also, some believe that clumping more than two or three ad exposures into a purchase interval is likely to be overkill. Taken together, these two conclusions make a strong case for more 'drip' advertising rather than burst (see [Drip Marketing: Retaining Customers and Maintaining Mind-Share](#)).
According to Paul Feldwick, Executive Planning Director at BMP/DDB Needham, "Bursts are popular for all the wrong reasons; because they suit the media buyers, they produce dramatic results on tracking studies, they make 'events' that can motivate the sales force, not because they are known to be more sales effective."

In a 1970 *Harvard Business Review* article, John Morrill detailed a study on the influence of industrial product advertising on the effectiveness of sales reps. This study was based on nearly 100,000 interviews covering about 1,000 advertising schedules for 26 different product lines sold in 90 product markets at 30,000 different buying locations. The data showed that these companies saw a clear result from their advertising. In those cases where they did not, a major reason was usually inadequate advertising frequency. He concluded that a **minimum of five** pages of advertising in a given magazine in a year was necessary to achieve impact. And, advertising above this minimum level increased sales and reduced selling costs for the advertiser, while at the same time making it more difficult and more expensive for competitors.

**Advertising Increases Sales Effectiveness**

What if you want to avoid all this and just send in a salesperson to woo your prospects? In this same study, Morrill concluded that the **cost of selling was 10-30% lower** to customer groups exposed to the company's advertising compared to unexposed customer groups. Advertising did, indeed, change opinions and attitudes, which led to improvements in both share of customers and share of market dollars.

The bottom line is that marketing is a process of building a business relationship with potential customers. To succeed you must know your customers, understand their buying cycles, and keep your name in front of them so you will be top of mind when they're ready to buy.