Anatomy of effectiveness

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Anatomy of effectiveness

A white paper by **WARC**

Contributors to this report:
David Tiltman, VP Content, WARC
Dominic Twose, Consultant
Lucy Aitken, Managing Editor, Case Studies, WARC
Lena Roland, Managing Editor, Knowledge, WARC

How do brands get more effective advertising?

It's an important time to ask this question. There is a sense that advertising, in its current forms, is not driving the growth it should be. Take some of the recent data and comment we have run on WARC:

- A study by the Advertising Research Foundation found that 69% of all US TV commercials receive no visual attention (putting up to $40 billion of investment at risk in the US alone); 27% air in an empty room.
- A focus on short-termism has halved the business impact of creativity, according to researcher Peter Field.
- Only 12% of supposedly 'viewable' ads are actually noticed by consumers, according to Lumen Research.
- Nielsen reported that only 53% of the impressions served in the UK reached their intended target.
- More than 600 million devices now have ad blocking, in what US journalist Doc Searls called the biggest boycott in history.

In short, huge amounts of money are being spent on advertising that is not having the intended impact. And, at its worst, it is alienating the people it is supposed to be engaging.

That's the background to the Anatomy of effectiveness. The white paper summarises current thinking about how to advertise effectively. It asks what the current range of evidence shows, and where it is being challenged by a fast-changing industry. It's a distillation of the evidence, expert comment and examples available to WARC subscribers.

The white paper boils down this thinking to five constituent parts:

- Invest for growth
- Balance your spend
- Be creative, be emotional, be distinctive
- Plan for reach
- Plan for recognition

If this sounds simplistic, it should be remembered that none of these concepts is easy to apply. Every element involves trade-offs and hard decisions on where to invest. And, of course, insights and creative thinking are required to bring it all to life – that's what makes marketing such a dynamic industry.

The five elements are also not a linear process. We increasingly live in a world where media selection and creative development go hand in hand, where creativity can be at the heart of business strategy, and where real-time feedback can allow strategies to evolve during the campaign. But by turning the thinking on WARC into a framework, we hope this report promotes the evidence that exists to help advertisers – and ultimately their consumers.

David Tiltman, VP Content, WARC

What is effectiveness?

Effectiveness is a term widely used in advertising, but without consistency in what it means. In its broadest sense, effectiveness in advertising is simply the ability to prove that advertising has delivered on its objectives, whatever they may be.

Over time, a narrower definition has emerged that focuses on proving advertising's impact on business metrics such as sales, profit or market share. This definition, like the related concept of return on investment, marks an attempt to prove advertising is an investment that pays back, rather than a cost to be managed. This report looks at how to drive effectiveness in its narrower sense.

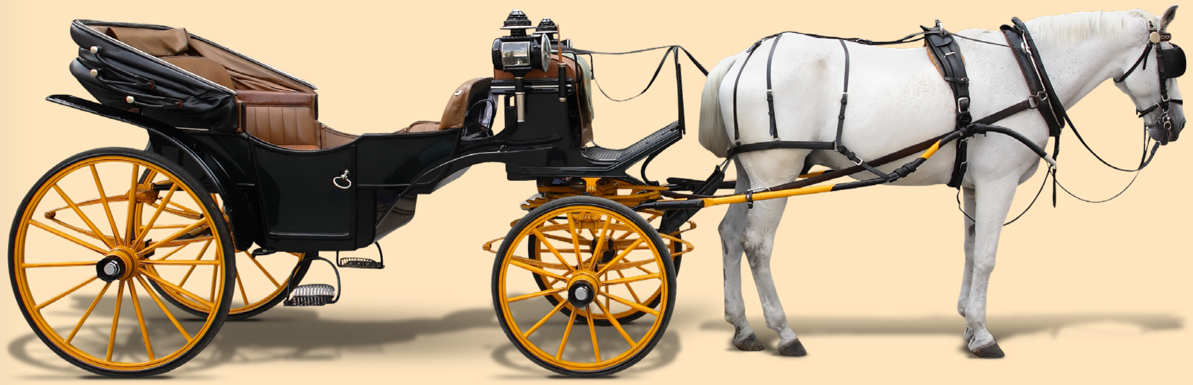
WARC provides the latest evidence, expertise and guidance to make marketers more effective. In fact, it's our mission to save the world from ineffective marketing.

Our clients include the world's leading brands, advertising and media agencies, media owners, research companies and universities. They rely on us for rigorous, unbiased information and advice on any marketing issue, which we deliver via best practice guides, case studies, research papers, special reports and advertising trend data, as well as via webinars, awards, events and advisory services.

Learn more at warc.com

What is effectiveness?

Invest for growth



Does your advertising truly deliver?

What does good look like when it comes to advertising effectiveness? There are no hard and fast rules, but fortunately there are some broad benchmarks available. Recent studies have put figures on the sort of returns advertising can deliver – analysis of the WARC case study database found the median profit ROI is 2.06:1. Since most case studies in the WARC database list short term results, this is an approximate guide to short-term payback of the most successful campaigns. It compares to the 'Profit Ability' study from Ebiquity, Gain Theory and Thinkbox, which found a short-term (three to six months) profit ROI of 1.51:1.

These are averages, and mask a broad array of campaign performance. Behind these figures are a range of factors that marketers need to consider when drawing up budgets, setting objectives and working out what they want a campaign to deliver.

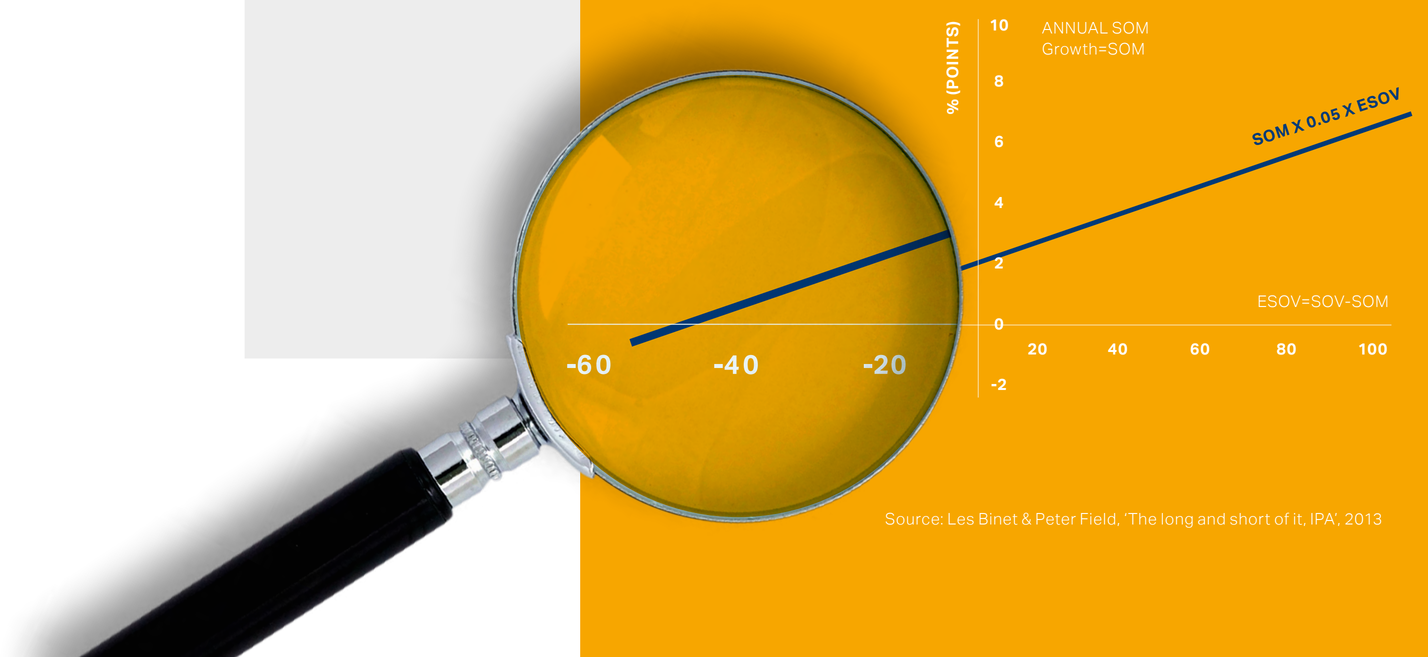
The evidence

What does the evidence say? There are three main factors that are often overlooked when setting objectives:

Are you investing enough based on your share of market?

A longstanding rule-of-thumb in marketing is that a brand's share of voice must exceed its share of market if it is to grow. Analysis by Les Binet and Peter Field of entries to the IPA Effectiveness Awards (the findings of several empirical studies) has confirmed this relationship. Brands that invest in excess share of voice (ESOV), defined as SOV above the business's market share, are likely to see long-term base sales growth.

The relationship between ESOV and share growth



Source: Les Binet & Peter Field, 'The long and short of it, IPA', 2013

Are your objectives realistic given the size of the brand, and the size of the market?

The biggest driver of results isn't generally in a marketer's control – it's the size of the brand, and the size of the market. Based on 25 years' experience of modelling the impact of advertising on sales, Paul Dyson from Data2Decisions developed a list of the top 10 factors driving advertising profitability (most recently updated in 2014). He concluded that market/brand size is by some distance the largest factor affecting the payback of advertising.

Big brands deliver big results, as they are better known and able to drive what Professor Byron Sharp of the Ehrenberg-Bass Institute calls "mental and physical availability". When setting objectives, it's important to factor in where a brand sits in the market, and what it can drive.

Are you maximising effectiveness or efficiency?

In theory, the term 'return on investment' is simple – it is the ratio of profits derived from marketing to marketing expenditure. As a concept it makes marketing seem accountable. However, interpretation of ROI can be very loose – many assume that all sales growth is due to communication. There is also a misconception that maximising ROI is a goal in itself. One of the problems with the widespread use of ROI ratios is that they prioritise efficiency over effectiveness – the easiest way to improve the ratio is to cut the budget, yet that would damage the brand. Instead, marketers should be focusing on goals that are defined in absolute terms, such as generating certain amounts of profit.

Measures of ROI also tend to focus on short-term changes, yet brand-building tends to require long-term investment. Calculating long-term payback is far more difficult, and different measures are required. In fact, long-term effects of investment are often underestimated. For brands in mature markets, marketing can be about defending sales, rather than increasing them. The payback can be calculated only by working out the impact of a cut in marketing.

Top ten ways to improve advertising return on investment

	Factor	Profit Multiplier 2014
1	Market, brand and share	18.00
2	Creative–tagging, ad length	12.00
3	Budget-setting across geographies	5.00
4	Budget-setting across portfolios	3.00
5	Multimedia campaigns	2.50
6	Budget-setting across variants	1.70
7	Cost and product seasonality	1.60
8	Product vs. equity vs. season	1.40
9	Laydown (of spend over time)	1.15
10	Target audience	1.10

Source: 'Top 10 drivers of advertising profitability' by Paul Dyson

What is changing?

Share of voice in the digital age

How can brands benchmark against share of voice in an age of owned and earned media? This is an emerging question for brands. The agency MESH has explored the idea of share of experience (SOE), arguing that SOV measures only what marketers push out, not what people actually pick up. Using both surveys on brand consideration and real-time mobile responses whenever the person sees the brand, SOE can show where, when and how customers come into contact with brands. It has the potential to compare digital and traditional, as well as paid and unpaid media on a level playing field. However, it is not yet clear whether there is a relationship between excess SOE and future growth.

The latest guidance from Les Binet is that, for now, the relationship between ESOV and growth holds – this is in part because online channels amplify the effects of offline media more than they compete with them. He adds: “Unfortunately, there is still no substitute for spending money. But nobody wants to believe that.”

The rise of the direct-to-consumer model

The rise of direct-to-consumer (DTC) brands appears to offer an alternative route to growth to classic ad strategies. DTC brands typically do not (in their early lives) invest heavily in broadcast media but communicate via a two-way relationship with their customers, using low-cost-to-enter digital touchpoints such as blogs, social media and search.

They present themselves as category disruptors, and focus on:

1. Ad investment designed to deliver low customer acquisition costs;
2. Customer lifetime value, especially through subscription models;
3. Exceptional customer experience;
4. A strong brand story and an ‘anti-marketing aura’.

Brands such as Dollar Shave Club have, says David Carr of Publicis Sapient, “changed what is expected of marketers by proclaiming a path to growth by word of mouth that can achieve 60% product margins and four to five-times higher contribution margins.”

While DTC is a new model for brand launches, its significance for bigger brands is unclear. As DTC brands grow they increasingly need to invest in marketing in the same way that any other brand would, and as platforms like Facebook become more expensive they are increasingly looking to ‘traditional’ media. Video Advertising Bureau analysis of Nielsen Ad Intel data found that TV spend by fifty DTC brands grew from $322.8 million in 2015 to $1,313.6 million in 2017.

As Keith Weed of Unilever makes clear, the DTC model based on first-party data and customer experience is becoming a new priority for brands who want to grow.

"What we've learned from Dollar Shave Club is that data play. Subscription selling is part of it, but it's more than that. I think it's really exciting, because this is the way brands and businesses like Unilever will remain relevant into the future."

'Direct-disruptor' brands have accelerated spending recently as they need to appeal to a mainstream audience to keep growing...

U.S Television spend (in millions)

2015	2016	2017
$32.8	$62.4	$1,313.6

Source: Video Advertising Bureau analysis of Nielsen Ad Intel data, quoted in 'The evolving dynamics of the direct-to-consumer market' by David Carr

Common mistakes

Underspending
Targeting growth objectives without benchmarking the available spend against share of market.

Confusing efficiency and effectiveness
Setting an efficiency-based objective – for example, 'we need an ROI of 3:1' – is dangerous without also setting objectives for the total financial impact of the campaign.

Pursuing mental availability without having the physical availability to back it up
If you're nudging more people to buy your brand, is your brand widely available enough for them to choose it when they are in the market?

Case Study

1

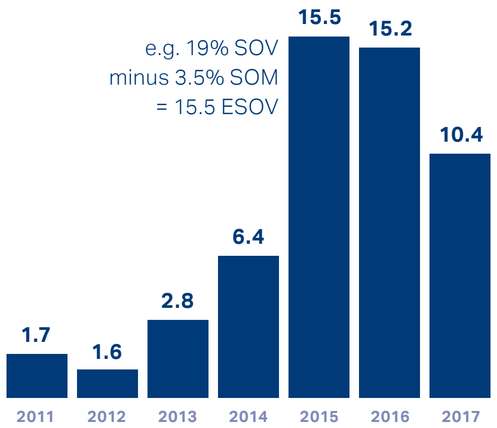
Lidl Surprises

The UK campaign of value supermarket Lidl is a great example of a brand applying ESOV ideas to help drive growth. Analysis showed there was no mileage in targeting specific demographic or attitudinal segments; they needed mass reach, which meant large-scale marketing investment. They took on board the Binet and Field excess share of voice' findings, and greatly increased their marketing budget, largely using TV.

The outcome?

£2.7 billion of direct and long-term sales and £398m of profit over four years, at a profit ROMI of £1.38.

Lidl ESOV 2011-2017



Source: 'How Lidl grew a lot' by Justin Clouder

Case Study

2

Warby Parker and the DTC model

Warby Parker, the online eyewear retailer, focuses on superior customer service as a means to increase awareness, build credibility and spread word of mouth. It overcame potential online barriers to purchase and disrupted the category by offering to send out five pairs of glasses free of charge for people to try on. It also promises to answer every customer call within six seconds. Further, the brand is committed to social responsibility; for every unit sold it donates money to help people who do not have access to glasses.

The outcome?

Warby Parker's Net Promoter Score (a rating that takes the percentage of buyers who are "promoters" and subtracts the share of "detractors") has never slipped under 85%, on a scale that runs from -100% to +100%.

Launched in 2010, the company was valued at $1.2 billion by 2015.

Expert Comment Paul Dyson

Founder of
Data2Decisions

Why big brands drive higher ROIs

Brand size (by which we mean annual revenue) is often overlooked by marketers when considering revenue ROI – this is a big omission because there is strong evidence that bigger brands get higher ROIs. For instance, studies have shown that the average ROI for FMCG/CPG brands is around 0.5 which led to the famous quote "half my advertising is working..." being applied to these brands. FMCG/CPG brands are typically at the lower end of the revenue scale; bigger brands such as retailers, banks and automotive manufacturers (which can be 30x bigger in revenue terms) routinely achieve double-digit revenue ROIs.

Brand size is a well-known research effect – on questions prompted with brand lists ("Which of these brands are good value?") bigger brands get higher scores. They are more well-known so simply get mentioned more. Researchers must adjust their data to take out this effect. The same happens with ROIs – bigger brands are a safer bet when your normal brand is not available; they are generally more available, and they are likely to be selling at a price premium. Or they might simply be operating in a high-value market. All these factors contribute to a bigger return from advertising – and a higher ROI because at the end of the day brands pay the same for their advertising whatever their size (in fact bigger brands with bigger budgets might be able to negotiate a better deal).

This has two key implications:

1. A brand's ROI is predetermined to an extent – yes, many factors such as creative quality, media laydown and competitive context might impact the final ROI but a small brand is unlikely to achieve a big ROI and a large brand should be getting a profitable payback even with a poor ad. This doesn't mean a small brand's ROI will be unprofitable, but it does mean marketers need to take brand size into account so that they set realistic targets for their advertising.

2. Investing in your brand and making it bigger will improve the ROI, making advertising more profitable and allowing further growth (as well as creating a barrier to entry). Some new launches find it difficult to make advertising pay in the first few years (depending on brand size of course), but as they grow, ROIs will increase and become more profitable.

For more on this topic see the following on WARC:

How much should I invest to be effective?
WARC Evidence Deck

WARC Webinar: The long and the short of it
Les Binet and Peter Field

How Lidl grew a lot
Justin Clouder

Speed Read – How brands grow
WARC

The evolution of direct -to-consumer brands
WARC

Overview of Marketing in the Era of Accountability
Les Binet and Peter Field

Top 10 drivers of advertising profitability
Paul Dyson

Measure share of experience: A new metric gives a fuller picture to marketers
Fiona Blades and Ralph McDevitt

11 brand-building tips from the godfather of effectiveness
Geoffrey Precourt

ROI benchmarks report
WARC

Profit Ability: The business case for advertising
Ebiquity, Gain Theory and Thinkbox

The evolving dynamics of the direct-to-consumer market
David Carr

Unilever's Keith Weed on lessons from direct-to-consumer and the future of FMCG
Anna Hamill

Balance your spend

The next challenge is setting the right framework for your investment to ensure sustainable success. This can be thought of in a number of ways:

Timescale – long-term effects vs. short-term sales impact

Purpose – brand-building vs. performance marketing

Audience – broad reach/whole market vs. targeting of likely buyers or existing customers

In each case, the assumption is that marketing investment has two roles: immediate impact on financial performance and long-term brand-building. A major benefit of a strong brand is decreased price sensitivity. All other things being equal, consumers will generally pay more for a brand they recognise and trust.

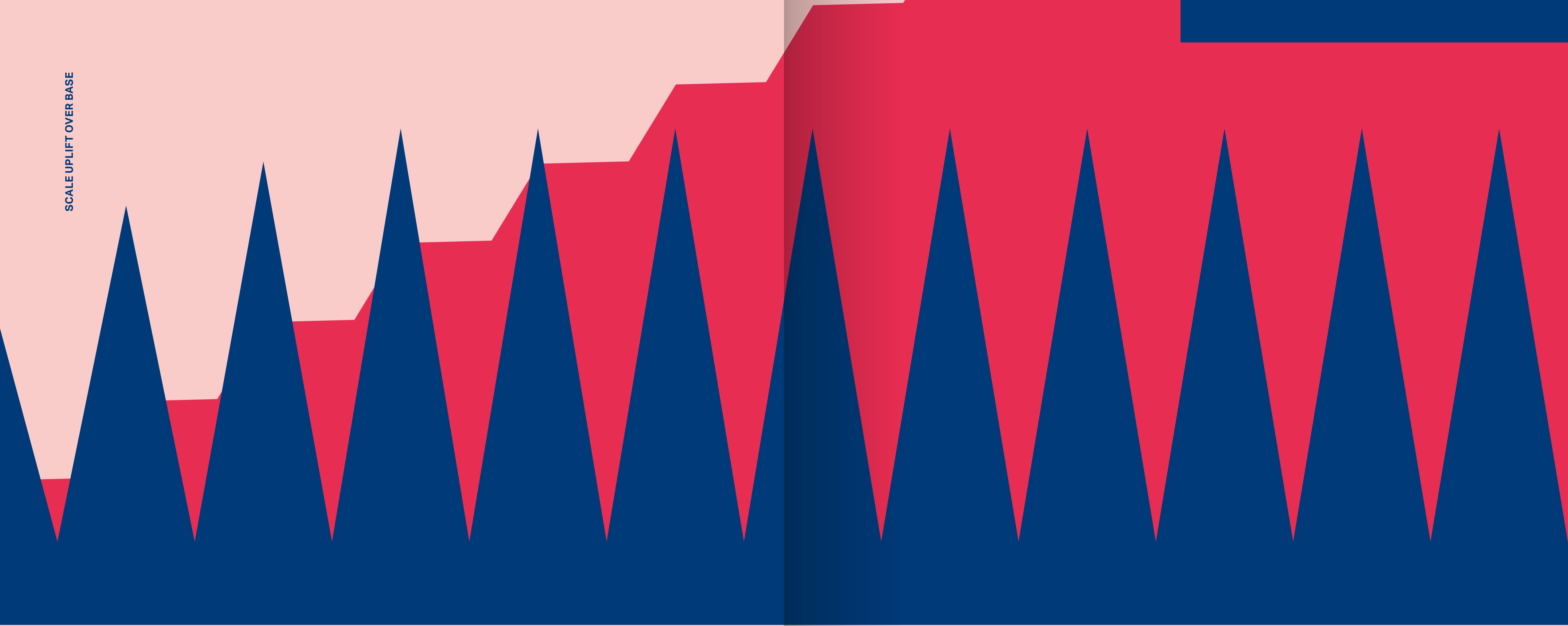
Two ways marketing works

Brand building: Long-term sales growth

Sales activation: Short-term sales uplifts

According to the model put forward by Les Binet & Peter Field, sales activation work will have a greater impact in the short term, but the effects will decay quickly. The impact of brand investment becomes more pronounced over time.

One of the criticisms of marketers in the past decade has been that they have shifted too much investment into driving immediate financial impact, and neglected the long-term health of their brands. The $15 billion writedown of the value of Kraft Heinz brands in 2019 was, some argued, a reflection of a lack of investment in promoting the brands and keeping them fresh. There is evidence some brands have recognised this danger and rebalanced their investment.



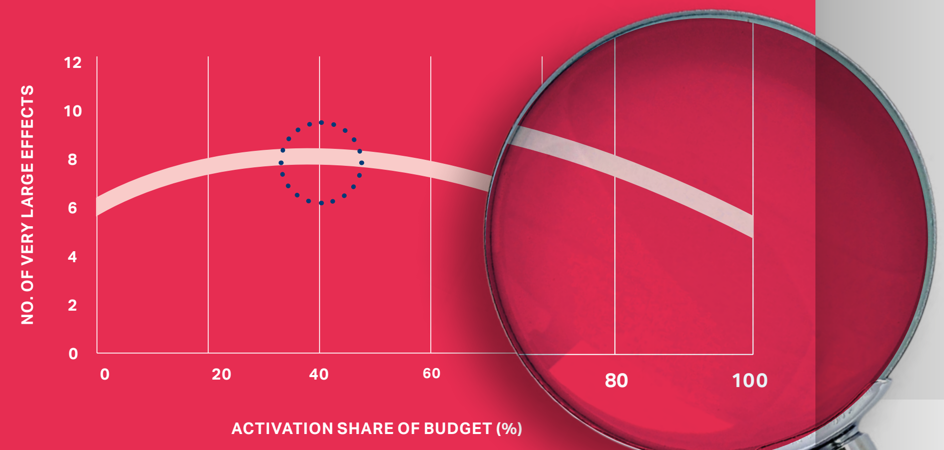
Source: Les Binet & Peter Field, 'Marketing in the Digital Age', 2016

What does the evidence say? The budget guideline is 60-40 in favour of brand-building

Several landmark studies by Les Binet and Peter Field, on behalf of UK trade body Institute for Practitioners in Advertising (IPA), have suggested that an optimum split of marketing investment is 60% for long-term brand building and 40% for short-term activation. The ratio can vary by sector and by context, but significant brand investment is required in all situations to deliver the benefits of a strong brand over the long term. In fact, in sectors where activation is the norm (such as travel), strong brands are even more important.

The 2018 ‘Profit Ability’ report from Ebiquity, Gain Theory and Thinkbox concluded that less than half of advertising’s profit impact happens in the short term. Businesses optimising their advertising investment based solely on these more easily visible short-term returns are hugely undervaluing the total profitability driven by advertising.

The 60-40 split delivers maximum effectiveness



Source: Les Binet & Peter Field, ‘The Long and Short of It’, 2013

Brands need metrics for both long and short

Activation effects are best measured with immediate behavioural metrics, such as direct response rates, search queries, or immediate sales uplifts. These effects can be large and easy to measure, but they decay quickly. For brands willing to invest in it, econometric modelling can be the best way to measure the impact of short- and medium-term effects over weeks and months. Some attribution models also help.

The value of long-term brand building is the development of memory structures and powerful associations for brands. As Les Binet commented recently, advertising is “a way of conditioning people. It’s about creating brand preference through creating emotional associations that buy us human behaviour in an irrational way.”

Identifying the right measures for this is complex. Much econometric modelling is insensitive to and unsuitable for measuring the impact of long-term marketing activity. Brand equity modelling – which triangulates advertising investment, brand equity tracking, and sales data – uses a range of statistical techniques to help understand which brand equity metrics have most impact.

Price sensitivity is an important measure of long-term health. There are also some examples in the public domain (for example, from Direct Line Group in the UK) where companies have allowed a brand to stop advertising, then measured the performance over time of that brand against a brand that is still supported by adspend. The results tend to show that consumers are willing to pay more for well-branded products.

Different media play different roles

The frameworks of brand versus activation, or long versus short, can have a bearing on media selection. It has become common to view digital channels as largely suited for activation, while traditional channels are better suited for 'brand'. In fact, the truth may be more nuanced than this. The 'Profit Ability' study compared typical ROI levels across a range of media. Online display, for example, had virtually no impact beyond the short term; the audiovisual media of television and online video, on the other hand, worked across both long and short terms.

		Total ad-generated profit (within 3 years)			Short-term ad-generated profit (within 3-6 months)			
	% of budget	% of profit	Average profit ROI	Profit likelihood	% of profit	Average profit ROI	Profit likelihood	Number of campaigns
TV	54%	71%	£4.20	86%	62%	£1.73	70%	1,280
Print	23%	18%	£2.43	78%	22%	£1.44	61%	980
Out of home	8%	3%	£1.15	48%	3%	£0.57	19%	580
Online video	6%	4%	£2.35	67%	5%	£1.21	52%	158
Radio	5%	3%	£2.09	75%	5%	£1.61	62%	540
Online display	4%	1%	£0.84	40%	2%	£0.82	37%	330
All media	100%	100%	£3.24	72%	100%	£1.51	58%	1,954

Source: 'Profit Ability: The business case for advertising' by Ebiquity, Gain Theory and Thinkbox

What is changing?

New forms of activation

One of the reasons marketers have pushed more money into activation spend in the past decade is the promise of data-driven techniques to boost the performance of their spend, and the relative low cost of digital media. Although some marketers are shifting spend back into their brands, this transformation of the 'activation' side of the equation will continue. It's worth remembering that Marc Pritchard of Procter & Gamble, a vocal proponent of creative brand-building, has also predicted the rise of "one-to-one marketing at scale" – data-driven and highly personalised. Both will be required.

Lines between brand and activation are blurring

While the frameworks of brand versus activation and long-term versus short-term are helpful, the reality for many brands is that the lines between them are blurring. Brands such as Heineken (see examples on the following pages) have noticed that the 'conversion funnel' is converging – a consumer can jump from awareness to purchase in a click, so both its brand investments and its activation are part of a bigger matrix of activity built around the purchase journey.

Rise of customer experience

Customer experience (CX) is a hot topic in marketing at the moment – more than half of brands and agencies named it as a priority in WARC's Marketer's Toolkit 2019 survey. CX (in its online forms) is developing rapidly, and how 'experience' affects the development of a brand in people's minds, and whether experience can supplement advertising in terms of building memory structures, are areas that have yet to be fully explored.

Common mistakes

Overinvesting in performance marketing based on a high short-term sales impact
While short-term sales drives can be very effective, the effects decay quickly. Investment in the brand needs to take place in parallel.

Assuming brand investment doesn't need to deliver in the short term
Good brand-building work will still drive commercial performance in the short term. The effects should not be invisible or solely measured in brand tracking studies.

Taking guidelines as iron laws
As the IKEA campaign (on page 34) shows, the right balance between brand and performance isn't always 60-40. In that case, it was closer to 90-10. 60-40 is a great rule of thumb, but brands prepared to do the research can find their own optimum balance.

Case Study

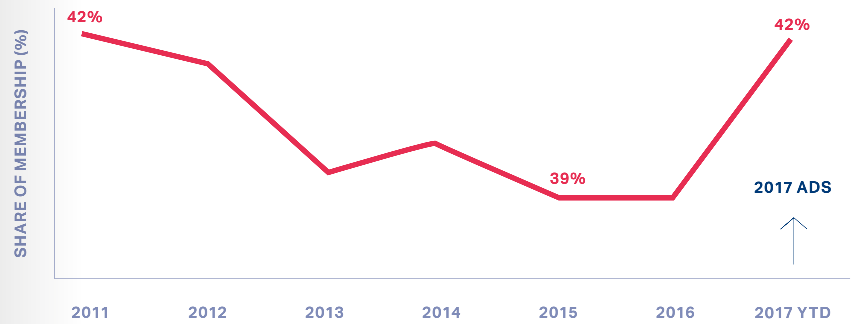
1

AA: Rebalancing a brand

The British motoring organisation AA was suffering market share and membership decline, driven by increased price-sensitivity and declining salience. Analysis showed this was due to a marketing focus on targeted direct-response activation at the expense of brand building activity. A new long-term brand-building mass-market campaign focused on the core breakdown service, with strong emotional cues.

The outcome?

Purchase consideration improved, and the campaign reversed the declining acquisition levels. Retention improved, as did revenue.



Source: 'The AA: From sparkplugs to singalongs' by Tom Sussman

Case Study

2

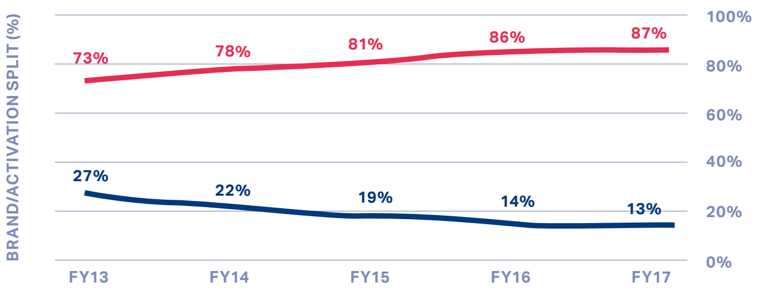
IKEA ‘Wonderful Everyday’: Finding its own balance

The emotionally rich ‘Wonderful Everyday’ platform, showing how IKEA can help make everyday life at home better, was deployed across a full spectrum of IKEA categories and channels. To fund this brand-building campaign the decision was taken to cut funding from activation. Sale campaign budget was reinvested into brand campaigns, resulting in almost double the incremental revenue. Activation spend saw a slow decline in investment from FY14 to its lowest investment level ever for IKEA, helping to fund a larger-scale brand campaign: an 87:13 split in investment between brand and activation.

The outcome?

The tough revenue goals were delivered and exceeded; and the seven-year decline in penetration was stemmed and turned to growth.

Brand vs activation spend



Source: MediaCom, chart included in IKEA: ‘The Wonderful Everyday’ case study

Case Study

3

Heineken and the end of the ‘funnel’

Dutch beer Heineken thinks a conversion ‘funnel’ is no longer particularly useful, as online and offline mix and brands aim for an extended consumer relationship. The company now thinks of a journey during which a brand has opportunities for conversion.

Beginning with a stimulus, typically from a hero piece of content, the model then bleeds down into more nuanced communications that offer opportunities for sale. The division between ‘brand’ and ‘activation’ spend, therefore, is replaced by a broader matrix of activity.

The outcome?

This model was applied in a campaign involving football manager José Mourinho motivating fans to watch matches with friends and Heineken. The campaign used a communications approach that blended scale with personal relevance.

As a result, the number of people watching alone decreased, the decline in penetration was reversed, and volume sales growth reached historic double-digit figures.

Consumer Journey

	Connect (Awareness)	Guide (Consideration)	Convert (Trial)	Retain (Repeated usage)
What audience?	Core	Core (personas and occasions)	Broad (personas and occasions)	Broad (personas and occasions)
What content?	Hero idea	Guiding CTA	Converting CTA	Retaining CTA
What assets?	Film (TVC & mobile), OOH	Dynamic assets bringing to ‘omni activations’	Packaging, omnichannel activations, POS	Brand events, experiences, merchandise
Who manages?	Comms & digital	Shopper marketing & digital	Shopper marketing & digital	Shopper marketing, sponsorship & digital

Source: ‘How Heineken is adapting the purchase funnel’ by Sam Peña-Taylor

Expert Comment Les Binet

Head of Effectiveness
at Adam&EveDDB

How digital affects the brand/activation split

Brand building is more important in a digital world than it is in the old economy. Of course, most marketers have learned completely the wrong lesson. They've seen the efficiency of short-term activation and they put all their money in there. But, in fact, what they actually should be doing is making digital activation work efficiently by supporting it with broad-reach, emotional brand-building.

Share of voice matters, but what also matters is how you allocate share of voice between brand building and activation. We find that there tends to be an optimum effectiveness of 60% for brand building and 40% for activation in communications budgets.

It's not an absolute. If brand building is easy in a category, you can dial down your brand spend. And if activation is easy in a category, you can dial down the activation spend.

In more specific terms, for categories where there is a high degree of product innovation – or, for brands, where there is a high degree of product activation – activation is easy. If you have really great new products, they're actually quite easy to sell. So, you can dial down the activation and tilt towards brand, with a split that's more like 70-30.

Whether it's online or offline, video formats produce the best brand responses. Ideally, what you want is online video and offline video working together. Video is tremendously effective for this stuff because of the richness of the emotional palette.

TV still works. In fact, it's working even harder than it used to. Moreover, what we're finding is, across all media, the traditional media are all actually working better than they used to. We've seen increases in the ROI from TV, from outdoor, from radio, and even, to some extent, press. Online marketing is making traditional marketing work better.

The digital companies are discovering the power of traditional media. In the US, we see Facebook, Amazon, Apple, Netflix, Google tripling their TV adspend over the last couple of years.

We see the same thing in the UK. We see companies like Uber piling into radio advertising.

The point is that the fundamental rules of marketing haven't changed. Digital is just making everything work better.

This is an extract from the WARC report 'Les Binet examines how digital affects brand building/activation model.'

For more on this topic see the following on WARC:

How do I balance short and long-term marketing needs?
WARC Evidence deck

Toolkit 2018: Transparency, creativity, and one-to-one at scale
P&G's recipe for 2018

WARC Webinar: The long and the short of it
Les Binet and Peter Field

How to get TV ad response through online media
Matt Whelan

IKEA: The Wonderful Everyday
Kieran Bradshaw

A game changer: How Heineken reinvented its champions league communications
Ed Booty, James Moore and Kate Hinz

How Heineken is adapting the purchase funnel
Sam Peña-Taylor

The AA: From spark-plugs to singalongs
Tom Sussman

Drive growth with media parity
Bhanu Bhardwaj, Olga Casabona, Joy Joseph and Howard Shimmel

Effective 100: Lessons from the global effectiveness rankings 2019
WARC

Profit Ability: The business case for advertising
Ebiquity, Gain Theory and Thinkbox

Marketer's Toolkit 2019
CX: Online to offline

11 brand-building tips from the godfather of effectiveness
Geoffrey Precourt

Les Binet examines how digital affects brand building/activation model
Geoffrey Precourt

Be creative, be emotional, be distinctive

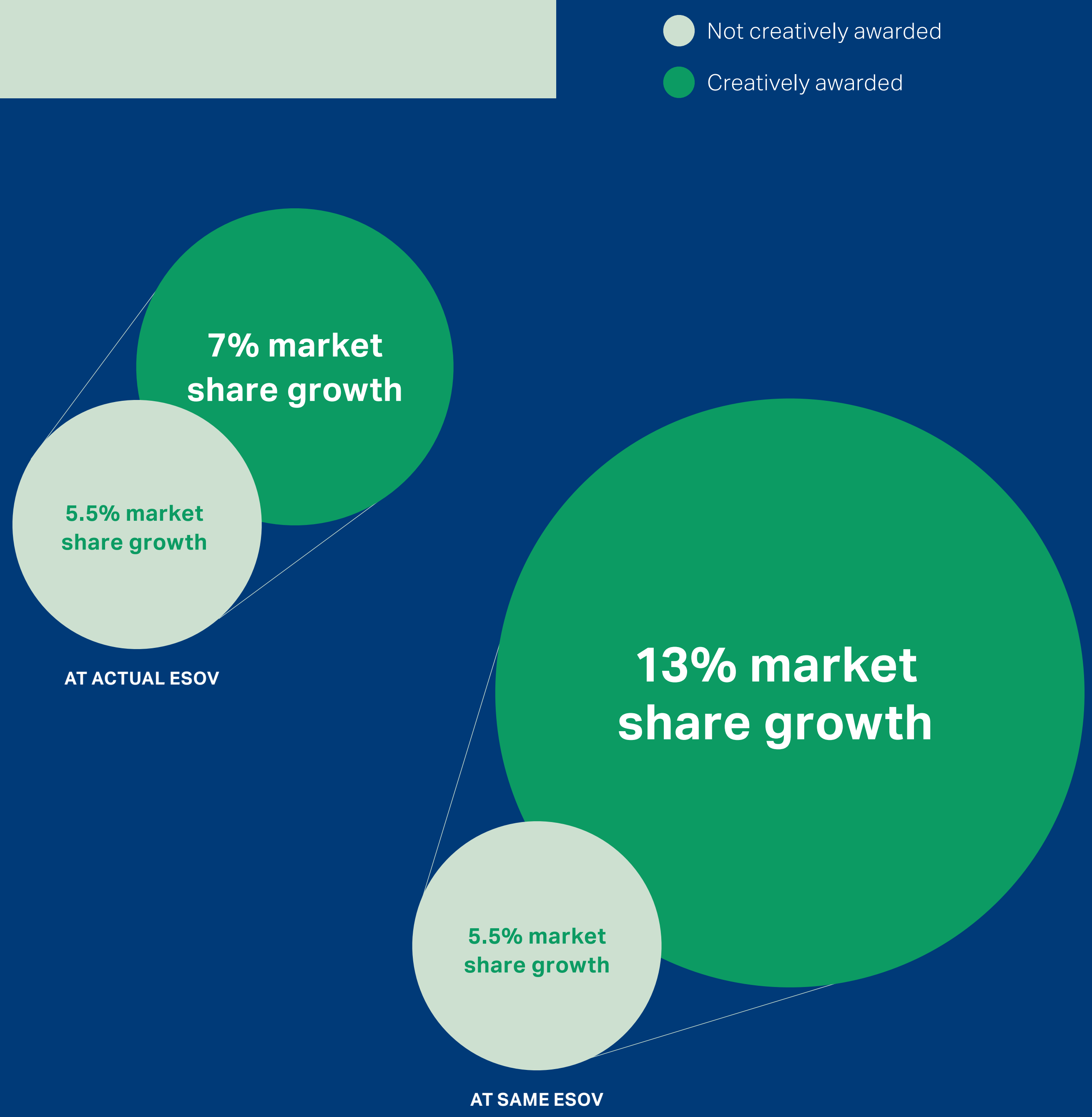
Based on the first two chapters, it’s easy to see marketing effectiveness as a numbers game – spend the right amounts in a balanced approach.

But once that framework has been set, the biggest single influence on success is less predictable. All other things being equal, creativity makes the difference.

There is now widespread evidence that creativity delivers increased effectiveness when it produces communication that is distinctive, engaging and emotional. In a landmark 2014 study, Data2Decisions found that, after brand and market size, creativity was the single biggest determinant of advertising profitability, and several times more powerful than the other levers marketers can control (see chapter 1).

This has been backed up by research into award-winning ads from the consultant Peter Field, who found that campaigns that won creative awards delivered more very large business effects (e.g. market share, penetration, price insensitivity or profit) than those that didn't. When adjusted for equal excess share of voice, the creatively awarded campaigns were more than twice as efficient as the non-awarded ones.

The conclusion was that creativity is not a replacement for ad budgets, but a way to supercharge the budget you have.



Source: IPA, 'The link between creativity and effectiveness', June 2010.

There is evidence that this message has been getting through. Marc Pritchard, Chief Brand Officer for Procter & Gamble, has stated repeatedly over the past three years that the company would be looking for fewer, better ads in an attempt to drive up creative quality and escape what he calls the "crap trap". Bird's Eye in the UK has also publicly declared increased investment in creativity. According to Steve Challouma, the brand's marketing director, marketers have been distracted in recent years by having to get to grips with changes: big data, new industries, new channels. But, "Once you've got over that you get back to creativity – and marketing is a function which in theory should have creativity at its heart."

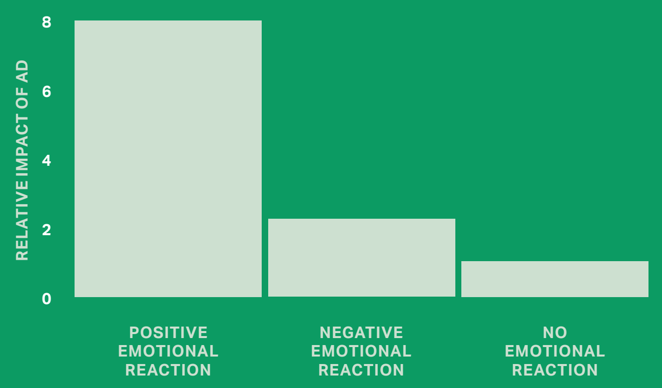
The evidence

What does the evidence say? Emotional appeals drive long-term effectiveness

Much has been written over the last 10 years about the importance of emotion in advertising.

Les Binet and Peter Field report that "Emotional campaigns, and in particular those that are highly creative and generate powerful fame/buzz effects, produce considerably more powerful long-term business effects than rational persuasion campaigns." Ad researcher System1 reports that the emotional strength of advertising relates to share growth. Kantar Millward Brown agrees that "Emotion is crucial in brand and advertising success," and adds: "The variety of different emotional responses obtained by award-winning ads highlights that there is no one emotion to trigger for successful advertising. Rather, the successful ad triggers the emotion that is relevant for that brand and positioning." Analysis conducted by Procter & Gamble into its own creativity showed that work yielding an emotional response was eight times more likely to be successful than work eliciting indifference. They looked at 300 TV ads, 85 online videos, 100 Facebook posts and 50 in-store displays to conclude that messaging which generated positive reactions enjoyed the greatest impact. There is a neuroscience angle to this – emotional intensity is linked to memory encoding, which is crucial for long-term brand-building. In other words, if you want to have 'mental availability', emotional appeals help.

P&G research found emotional reactions increase the chances of success



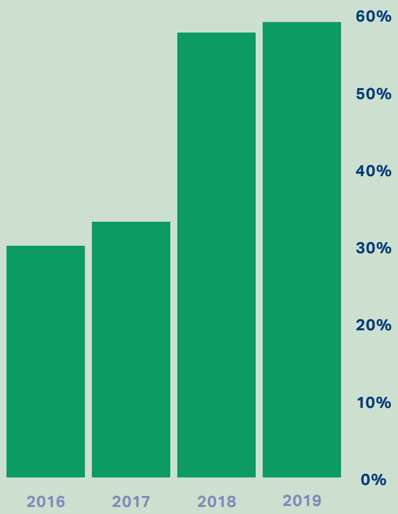
Source: Stephen Whiteside, 'Procter & Gamble research validates emotional marketing', WARC Event Reports, South by Southwest, March 2015

There is evidence from WARC's Effective 100 data that marketers are acting on these findings – over time, the world's most effective ads have been becoming more emotional.

Even short ads can drive certain emotions

Social video specialist Unruly has explored the ability of short-form ads to generate strong emotional responses. Its research shows that it is possible to evoke intense emotion in a very short space of time. While certain types of emotional responses are harder to achieve in short-form videos, others lend themselves particularly well to the format, and shorter might in fact be better in certain cases. The following can all be evoked very rapidly, as it is relatively straightforward to trigger these feelings with one powerful image or punchline: hilarity, surprise, knowledge, arousal, fear. What can be trickier in six seconds is evoking 'softer' emotions like warmth, pride and inspiration. These tend to benefit from taking more time to build up empathy with the characters, or involvement with the situation being portrayed.

Use of emotion in Effective 100 case studies



Data refers to % of campaigns ranked in WARC's Effective 100 that use an emotional approach.

Distinctiveness matters

There is currently a debate about the importance of distinctiveness and differentiation. Professor Byron Sharp argues firmly that distinctiveness is what counts; an unmistakeable identity which could be based on advertising among other things. This is not the same as having a differentiated positioning in the market; distinctiveness could simply be based on colour ('the red one') or other aspects driven by communications. A failure to be distinctive can be dangerous – research has found that ads that look similar to a competitor's ad can be wrongly attributed to that competitor, potentially benefiting them.

Several researchers agree that distinctiveness is important, but also argue for the role of differentiation within the market. While there is no consensus on this issue, it is worth noting that nobody argues against the need to be distinctive.

Effectiveness in a low-attention economy

In a world of information overload, creative strategies that are able to generate attention are increasingly prized. One trend noted in effectiveness award-winners over the past five years has been the rise of PR-focused campaigns – that is, creative strategies built around a stunt or other concept designed to generate PR coverage and get a brand noticed. A blend of real-world stunt followed by online activation is increasingly common, particularly among campaigns with limited budgets – Fearless Girl by State Street Global Advisors is a classic example that has won both creative and effectiveness awards.

Decline in creative effectiveness

There is evidence that a shift towards short-termism in marketing is undermining this link between creativity and effectiveness. This trend was identified by Peter Field, who found that short-term campaigns are only one third as efficient as longer-term campaigns. “The kinds of campaign that work most powerfully in the short-term are not the same as those that work most powerfully long-term,” he reported. “They are not very memorable. What we really remember is something really emotive and powerful.”

According to the IPA data, only around 10% of effective campaigns were short-term until four years ago. Now, it’s over 30%.

What is changing?

The rise of personalisation

Done well, personalisation and dynamic creative can deliver more relevant advertising, increasing its chances of cutting through. However, it should be approached with caution; at a time of increased interest in data ethics, crass personalisation is a risk and could undermine the coherence of a strong creative idea. Personalisation costs money – so brands need to be clear the increased costs are worthwhile.

It can be useful to think of personalisation as three different layers. The balance will vary depending on the brand and activation objectives.

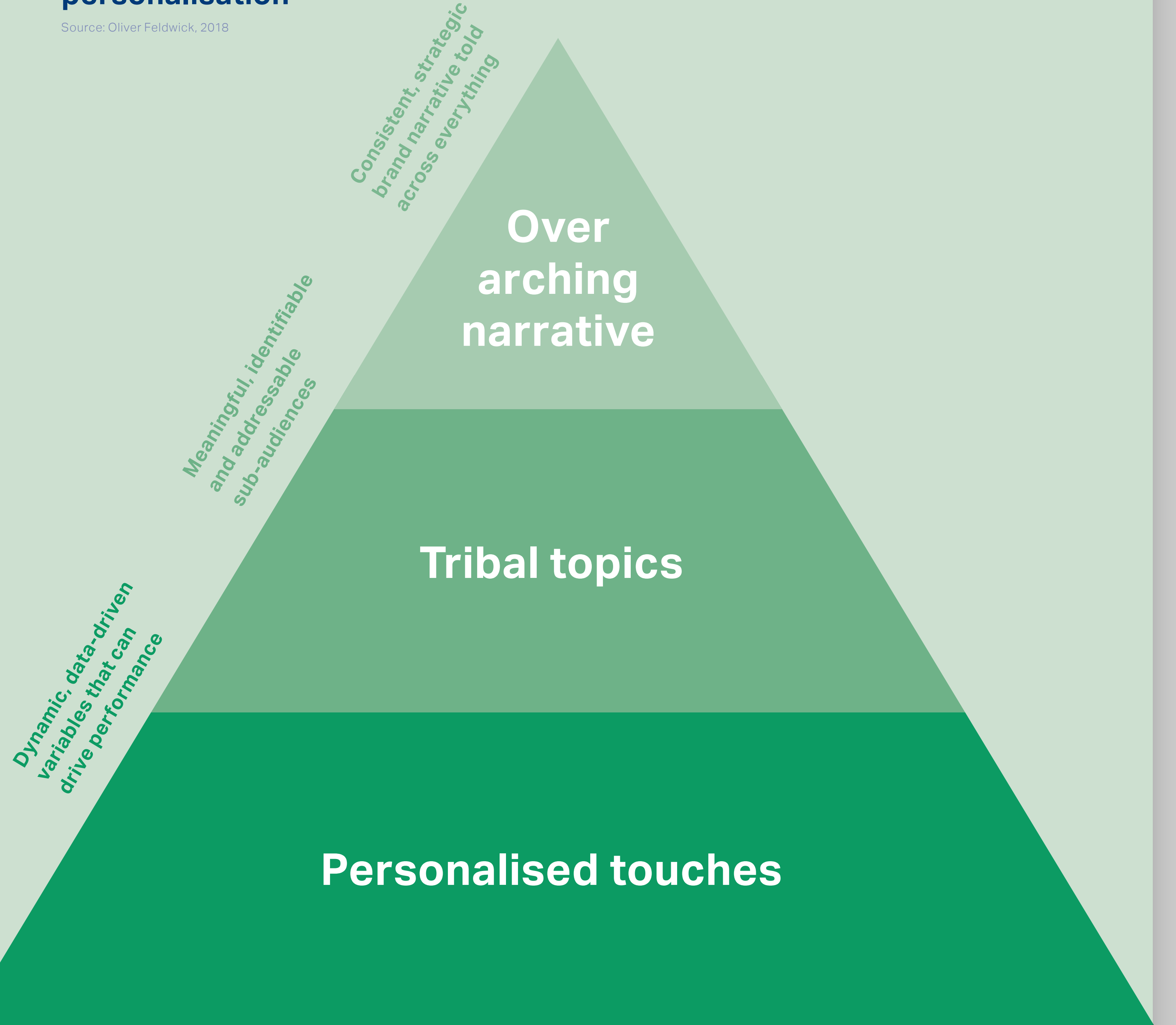
Overarching narrative:
Personalisation should be used to enhance take out from the same message.

Tribal topics:
Focuses on the nuances and sub audiences where the narrative can be tailored to identifiable and addressable groups.

Personalised touches:
Little flourishes in creative and messaging, optimised around engagement and conversion metrics, and done on an individual, data driven and automated level.

Layers of personalisation

Source: Oliver Feldwick, 2018



Common mistakes

Failing to reap the rewards of creativity
A short-term focus can undermine the long-term brand-building potential of creative communications.

Focusing on persuasion or rational appeals
Emotional appeals have consistently been found to work better.

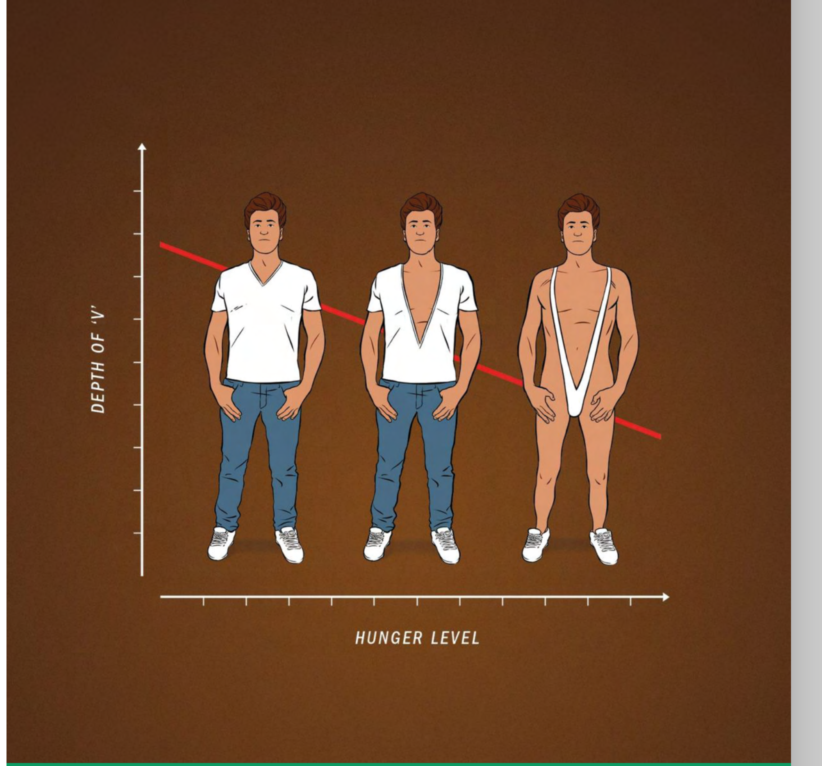
Losing distinctiveness via a me-too creative strategy
Mimicking what has already been successful in the market may actually end up aiding a competitor.

Case Study

1

Snickers: You're Not You When You're Hungry

The Snickers campaign shows how a creative, distinctive idea doesn't need to be a one-off. The You're Not You When You're Hungry campaign was launched in 2010 with the aim of making Snickers relevant outside its core audience of young men. The campaign used celebrities to highlight the idea that we all act out of character when we haven't eaten, and has driven multiple years of sales growth for the brand.



The outcome?

The concept of tackling people's hunger has since been extended in highly creative activations – for example:

The 2016 Hungerithm campaign that dropped the price of a Snickers when levels of anger on Twitter increased.

Case Study

2

The Chinese marketing of SK-II

The Japanese luxury skincare brand owned by Procter & Gamble, shows how a brand that pivots to emotional communication can benefit.

Combining all brand equity metrics together, SK-II was ranked number seven in the Chinese market, both in the total market and in the core target, the Young Executives. Its advertising had been product-focused with a similar approach to competitors. It realised the need for a more distinctive approach

During SK-II's research the pressure to marry before 27 emerged as the major stress in the lives of women. SK-II created an emotive documentary film and follow-up campaign about four real 'leftover women' to tackle the societal restrictions placed on women.

The outcome?

The campaign started a national conversation about the stigmatisation of unmarried women while propelling SK-II to the number two position in the Chinese market.

The brand also managed to halve the discounts it had been applying to its products.

Expert Comment Peter Field

Marketing Consultant

The crisis in creative effectiveness

There has been a serious declining trend in the effectiveness of creatively awarded campaigns over the last 10 years. New research based on data from the IPA and Gunn Report (now known as WARC Rankings) confirms this continuing decline; creatively awarded campaigns are now less effective than they have ever been in the entire 24-year run of data and are now no more effective than non-awarded campaigns. We have arrived in an era where award-winning creativity typically brings little or no effectiveness advantage.

This collapse in effectiveness can be explained largely by the shift to short-term activation-focused creativity and the strategic and media trends this has promoted. We have known for many years that creativity delivers very little of its full potential over short time frames, yet the trend to short-term, disposable and ultimately inefficient creativity continues This general trend in marketing culture has been reinforced and exacerbated by creative judges increasingly awarding campaigns that pursue short-term goals. This has encouraged and rewarded a short-term mind-set, even though a short-term focus means those campaigns will inevitably under-perform in the long term.

Creative best practice is currently being overwhelmed by this poor practice, yet there are still campaigns showing how it should be done and delivering impressive effectiveness as a result. High-performing creatively awarded campaigns are eight times more effective than their low-performing peers in terms of the number of business effects they generate and almost sixteen times more likely to bring major profitability growth. These high performers are defined by a much more balanced approach to short and long-term objectives. This is reflected in their more balanced allocation of media expenditure between brand building and sales activation, in line with latest best practice guidelines. Their campaigns stay in market long enough to embed behavioural change: at least six months typically. They choose broader, earlier targeting of consumers rather than tightly targeted data-driven real time communications linked to purchase intent. And they make much greater use of broad reach brand building media, especially TV but also online video and OOH. None of these creative best practice strategies is difficult to implement.

Anyone who values creativity should stop encouraging the development of disposable creative ideas and stop squandering the use of creative firepower for tactical initiatives. Instead, briefs should stress the importance of how ideas will strengthen the brand over time. Creative award shows also have a role to play, with separate classes of awards for short and long-term creativity, to incentivise a rebalancing of creative endeavour in favour of long-term results. Left unchecked, the catastrophic decline in creative effectiveness will ultimately weaken support for creativity amongst general management. Money spent on creativity will have genuinely become 'non-working' budget.

For more on this topic see the following on WARC:

How do I use creativity to drive effectiveness?
WARC Evidence

The value of creativity
Peter Field

Procter & Gamble research validates emotional marketing
Event Reports, March 2015

Creative effectiveness
Dominic Twose and Polly Wyn Jones

Toolkit 2018: Transparency, creativity, and one-to-one at scale
P&G's recipe for 2018

The importance of creativity in reviving the Birds Eye brand
Brian Carruthers

How to engage consumers with short-form video
Rebecca Waring

Winning at personalisation
Admap summary deck

Long-term advertising: The Higgs boson of creative effectiveness
Brian Carruthers

How to measure emotional response to advertising
Dominic Twose

The value of creativity
Peter Field

How advertising attracts attention
Karen Nelson-Field and Erica Riebe

What we know about creativity and effectiveness
WARC

How to use neuroscience to improve your advertising
Heather Andrew

Plan for reach

Where to spend the media budget in the current environment is one of the most common questions asked of WARC. Several factors should be considered:

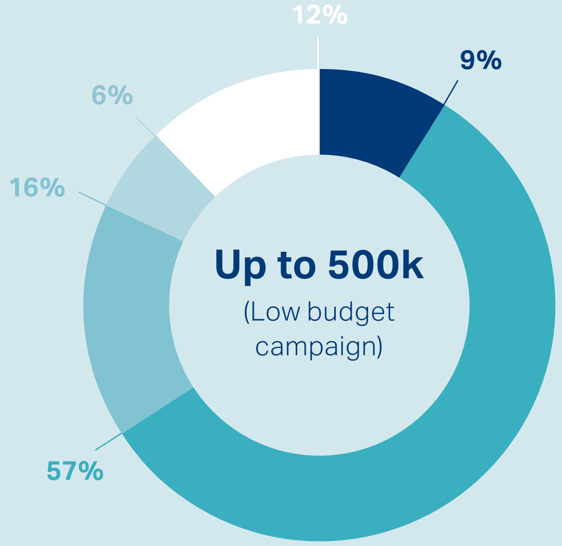
- Objectives, including the desired balance between brand-building and activation and the profile of the brand's audience;
- Whether the channel selection is central to the creative strategy (or, indeed, whether the strategy is channel-led);
- The budget available.

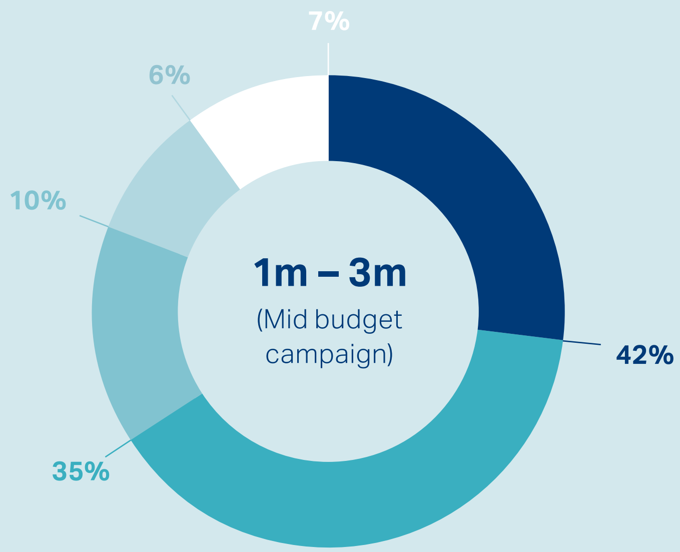
Research by WARC into the media allocation of successful campaigns shows that, the more budget you have, the more likely you are to spend it on TV, which as a channel retains significant effectiveness advantages. Lower-budget campaigns have to be much more creative in terms of channel selection if they are to generate an impact.

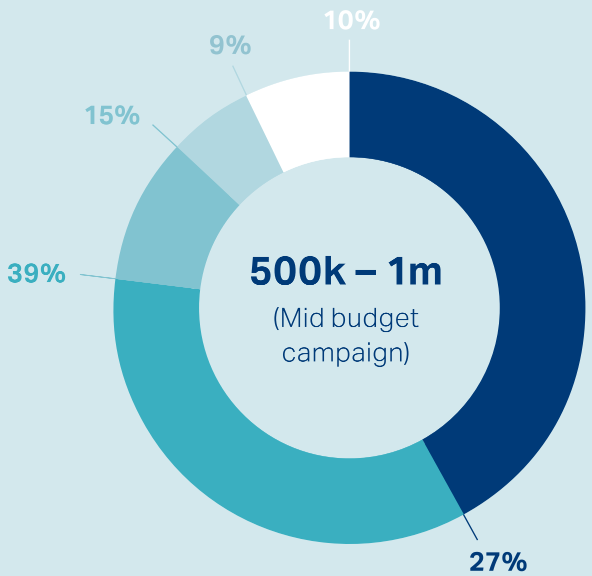
Average media allocation by budget ($)

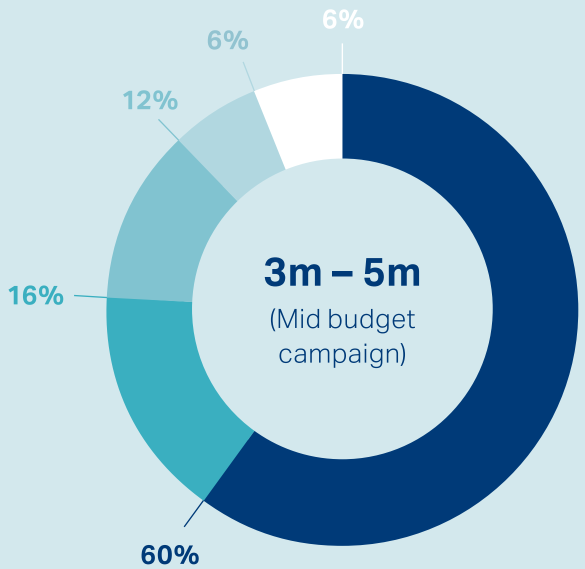
Data on these pages show the media allocation by budget level for campaigns in the WARC database

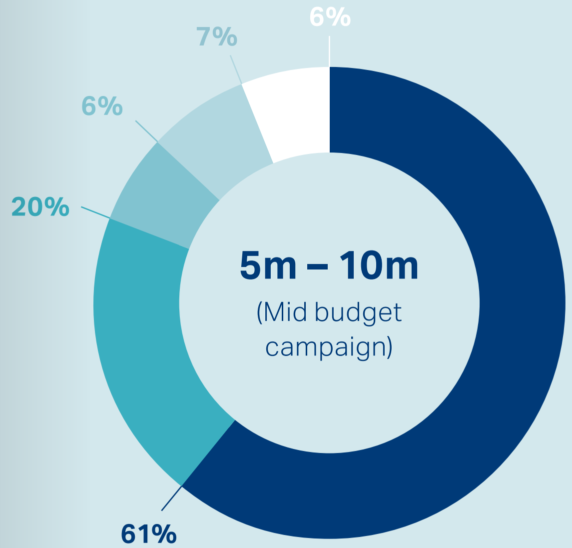
- TV spend
- Digital spend
- OOH/experiential spend
- Print spend
- Other spend

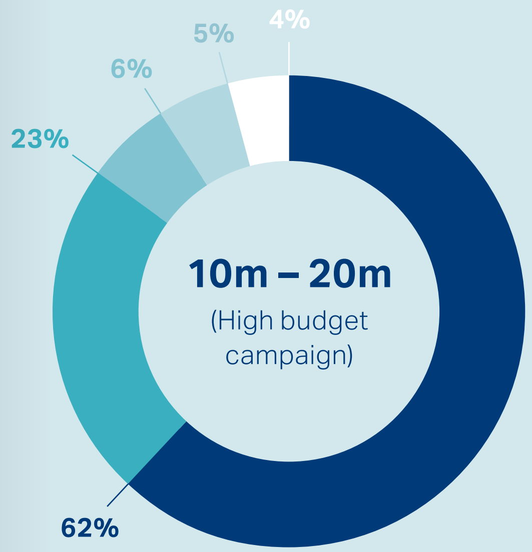


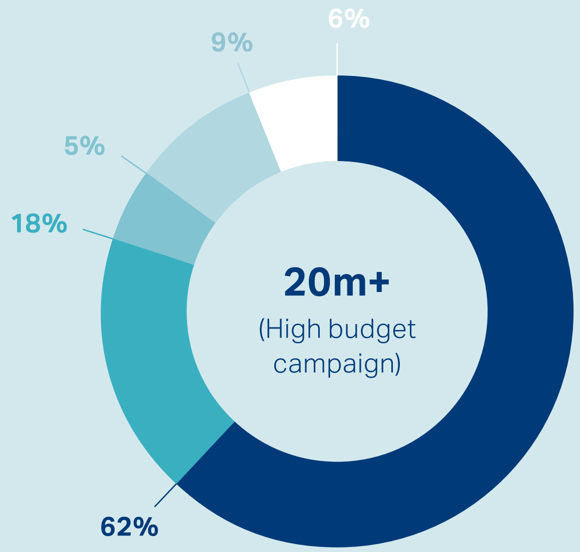












The biggest determinant of media allocation is budget

Media allocation also varies by sector. Categories with low budgets, such as government and not for profit, are highly digital-led, as are transport and tourism; a category where consumers increasingly purchase online.

Source: 'Media allocation report' by WARC

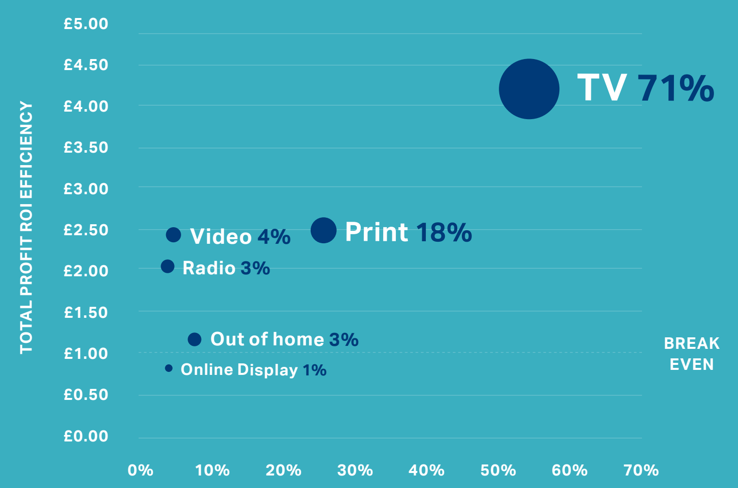
The evidence

What does the evidence say?
Reach is the foundation of media effectiveness

The work of Professor Byron Sharp and the Ehrenberg-Bass Institute put the focus of media strategy squarely on reach. Les Binet and Peter Field, in their analysis of the IPA database, have also argued for the benefits of media that can reach as many people in a brand's category as possible as often. This, in turn, suggests that scale is likely to be an important influence on media effectiveness. They found that campaigns that used TV, outdoor, radio and press were far more likely to report very large business effects than those which did not. The results showed a strong correlation with reach.

The 'Profit Ability' study by Ebiquity, Gain Theory and Thinkbox reports that TV drives the most profit because its scale and popularity enable it to deliver efficient profit return at high volumes of spend. Currently, TV accounts for 54% of advertising spend among Ebiquity's database, yet it is responsible for 71% of total advertising-generated profit. The report also shows online video, print and radio provide good profit returns. Additionally businesses can increase investment in TV to a higher level than other media and it will continue to generate a profitable return before diminishing returns kick in. Reach in these terms will almost always be paid reach; it is extremely rare for owned and earned media to generate comparable levels of reach.

Proportion of advertising-generated profit by medium



Bubble size represents % of total profit.
Total profit – all return (short & long-term generated over 3 years)
Source: 'Profit Ability: The business case for advertising' by Ebiquity, Gain Theory and Thinkbox

Integration drives better results

Multi-channel integrated campaigns are more effective than single-channel campaigns, particularly when they work together to increase reach. A 2016 study conducted for the Advertising Research Foundation found that investing in cross-platform campaigns delivers a significantly higher ROI. Specifically, going from one platform to two increases marketing ROI by 19%. The most powerful results (+60%) came from reinforcing TV with digital. Kantar Millward Brown's 2018 AdReaction study, 'The Art of Integration', showed integrated campaigns are 31% more effective at building brands. As well as incremental reach, integration delivers what Kantar calls a "synergy effect". For example, digital video and TV "working together actually creates an additional 25% of ROI."

Separate research from Kantar shows that, even in a multiscreen environment, TV – which is popular and influential – can enhance the digital media experience. "TV also is like a platform for the other media as well, so it improves the effectiveness of other media – digital media – by three times." Not all companies have the budget to advertise on TV. However, research by Nielsen has shown that digital-only investment can hit a 'reach ceiling', and it is better to combine digital and 'broadcast' media. Digital channels can add an average incremental reach of 4.4% to a TV campaign.

Incremental ROI of Additional Platforms

Source: 'Advertising across Platforms: Conditions for Multimedia Campaigns' by Jasper Snyder and Manuel Garcia-Garcia

1 PLATFORM	1.00
2 PLATFORMS	1.19
3 PLATFORMS	1.23
4 PLATFORMS	1.31
5 PLATFORMS	1.35

Frequency rules are evolving for the digital age

Theories on reach and frequency are continually evolving, particularly because of the changes brought by digital media. Professor Byron Sharp argued that reach is more important than frequency, and that continuous advertising is better than short bursts then pauses. The focus has therefore moved away from the old frequency rule of three exposures to '1+'. However, the fragmentation of audiences means it is harder to buy reach without increasing frequency – in other words, to reach more people in total, you'll need to reach a lot of them multiple times. Frequency capping techniques online are a growing trend as advertisers realise the negative reputational effects of bombarding consumers with ads. A 2016 study by the Advertising Research Foundation revealed the value of repetitive impressions served to a single user starts to decline after a certain point, actually having a negative impact on sales in the extreme situation that a banner ad reaches a user 40 times in a month.

The fragmentation of video

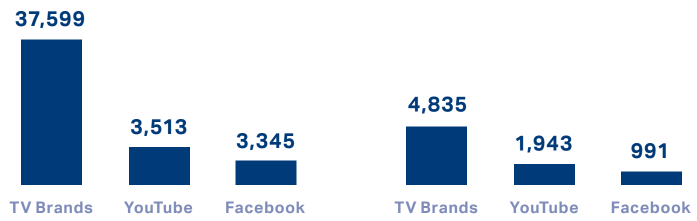
With the rise of online video in all its guises, cross-screen planning is one of the major challenges of media planning – not least because of inconsistent measurement across platforms. Yet even among millennial audiences, linear television remains the primary reach driver within a video campaign. While the majority of TV is watched linear/live, there is also significant reach potential in the combination of TV and online video, as well as extending brand presence to other places that deliver television content such as OTT, TV Everywhere and VOD. As the easyJet example on the following page shows, an intelligent approach to different types of video can build reach efficiently.

Average Audience (000)
'Any Given Minute'
(Adults 18+)

The average audience watching TV branded content is over 10x larger than that viewing YouTube

Average Audience (000)
'Any Given Minute'
(Millennials 18-34)

The average audience watching TV branded content is 2.5x larger than that viewing YouTube



Source: Comscore MediaMetrix Key Measures (multiplatform), February 2018; A18+ and A18-34. Sourced from 'The role of premium multi-screen video in an ad campaign' by Marianne Vita

What is changing?

Planning for context

Programmatic promised the ability to buy a brand's desired audience, regardless of where they were online. Over the past five years, the limits of that approach have become clear and there is renewed interest in the context in which an ad is delivered. Partly this reflects a desire for 'brand safety'; but it also reflects the idea that the context of communication affects ad impact. Recent academic meta-analysis concluded "high media involvement, greater media–advertising-content congruency, and program liking positively affected advertising memory".

Eye-tracking adds a further dimension to the debate. Eye-tracking research into attention paid to advertising in digital and print media shows how the context and environment of the ad placement works in influencing purchase behaviour. Four in five online ads are not viewed and print ads get twice the level of engagement of online ads. Relevant context and quality environment can increase the viewability of an online ad tenfold.

'Moment marketing'

'Moment marketing' is a relatively recent term referring to the creation of relevant content that targets the right consumer, at the right time, on the right platform and in the right context. It is data-driven and highly targeted. Mobile has opened up new potential for 'moment marketing', due to the data it can deliver and the fact it is always on and frequently in use.

A related trend is an approach based on targeting people going through 'life events' (such as starting university, graduating, moving house, running a marathon, marrying, having kids, divorcing); these moments are times people are more likely to try new brands and so are an ideal target market for many product categories. For example, research from the University of Essex and the Department of Transport in the UK showed that people are four times as likely to buy a new car just after they get married, move house or have a child.

Common mistakes

Bolting on media after the creative strategy is decided
Brands increasingly look to consider the media context in which a message is received, or the ability to apply creativity to communications as well as the content.

Forgetting context in the pursuit of cheap
There is plenty of evidence that the context in which an ad is viewed is important.

Fixating on 'waste'
Brands focused on activation will want to focus on likely buyers. But when brand-building, there is value in building fame among people who aren't currently in the market.

Case Study

1

easyJet: Project Multiscreen

The work by airline easyJet over the past couple of years shows how careful planning across channels can build efficient reach, and a cross-screen approach to video. In 2017 the brand was facing new competition from aggressively-priced airlines, together with declining interest in travel. With a flat media budget it needed to be more effective with communications to grow brand and sales disproportionately versus the market.

TV had been fundamental in growing easyJet's business; now it saw an opportunity to adopt cross-channel planning. Project Multiscreen used research to devise rules for the use of different channels to carry video, covering aspects such as ad length and frequency. This covered TV, cinema, VOD, social video and full-motion digital outdoor. Longer-form ads in quality media placements were used for brand-building activity, while activation work focused on short-form video and other media.

The outcome?

Brand consideration increased by 10% and passengers travelling with easyJet grew by 8.5% equating to 3.31m incremental seats sold, with revenue jumping by 8% year on year in 2017.

Case Study

2

Tourism Australia: Dundee – The son of a legend returns home

The Super Bowl remains a big-reach moment in US marketing, and the Tourism Australia campaign from 2017 showed how a PR-focused idea amplified through a Super Bowl could drive both brand and activation metrics.

After the success of the 1986 movie Crocodile Dundee, Australia enjoyed the biggest tourism upswing in its history, so Tourism Australia aimed to recreate those conditions in a different way.

It created a promotional campaign for a new Dundee film, featuring a roll call of Australia's biggest stars and promoted it on social media, digital and OOH, culminating in the 'official movie trailer' being shown during Super Bowl LII.

The case study concluded:
"While many brands use a Super Bowl spot to drive mass awareness, Dundee shows how this massive media moment can be leveraged into a larger campaign. With a highly structured campaign roll-out strategy and content before and after the game, a Super Bowl campaign can drive conversion and affect lower-funnel metrics."

The outcome?

The campaign led to an 83% increase in intent to book and yielded a 6:1 ROI for earned coverage.

Case Study

3

Narellan Pools: Targeting temperature

An Australian campaign for swimming pool brand Narellan Pools is a good example of how a low-budget brand can use data techniques to target people at the right 'moments'.
The brand was seeing a decline in swimming pool buying. Data revealed a correlation between periods of two days or longer of higher-than-average temperatures and the increase in purchase queries.

To capitalise on this, it created rules in programmatic buying tools. If the specific temperature conditions were met in any of their 49 targeted regions, they activated the media spend for the creative campaign which included pre-roll video, banners, search and social.

The outcome?

This low-budget campaign increased leads by 11%, and sales by 23%, whilst decreasing its media spend by 30% – delivering an incremental ROI of 54:1.

Expert Comment Faris Yakob

Co-founder of strategy and innovation consultancy Genius Steals

The company brands keep

Back in 2010, a colleague excitedly exhorted the virtues of audience buying to me (it is still being touted as a leap forward today). I raised concerns. If you can buy the audience anywhere online, more cheaply than on prestige publications, what happens to context? The craft of media planning was filtering the baseline requirement of reaching the right audience for the cheapest amount through a qualitative strategic layer because not all impressions are created equal. Their seeming fungibility is a convenient fiction. Otherwise, the task could be assigned to a spreadsheet that calculates the most efficient reach and frequency for the budget. Media such as television and cinema convey stature. Certain print titles confer trust and gravitas (or used to).

We judge brands, like people, by the company they keep. When programmatic advertising is served alongside terrorist videos, it jars. Once the press points it out, clients get upset. Another aspect of context is modality: the same audience reading the Sunday papers are in a different mood than when listening to breakfast radio the next morning. Modality should be easy to cater to online, but internet advertising seems to exist in a constant state of now.

When asked about media allocation at an event, Professor Byron Sharp (paraphrasing) gave a simple answer: buy the largest amount of the highest-quality exposures against all category buyers for the lowest price (in that order). Quality involves viewability (a non-viewable impression is an oxymoron) but also attention level and context, which have been dismantled by audience buying.

We have it backwards, starting with cost rather than quality. Until we can correctly measure and price the quality of impressions, algorithms will continue to buy audiences for brands in low-quality environments that make the audience feel bad, to boot.

An extract from 'The company brands keep'.

For more on this topic see the following on WARC:

What we know about reach and frequency
WARC

Context enhances attention and grows sales
Mike Follett

Why brands should target people going through life events
Craig Harris

Relevant reach: Is the way you think about reach outdated?
Jim Greco

Frequency: How much is too much?
Admap summary deck

How does effectiveness vary by media channel?
WARC Evidence deck

What we know about cross-channel and multichannel marketing
WARC

Profit Ability: The business case for advertising
Ebiquity, Gain Theory and Thinkbox

Digital media's ideal partner in a multi-screen world: TV
Low Lai Chow

What we know about moment marketing
WARC

Achieving Reach in a Multi-Media Environment
Jenni Romaniuk, Virginia Beal, and Mark Uncles

The role of premium multi-screen video in an ad campaign
Marianne Vita

The company brands keep
Faris Yakob

Impact of Media Context on Advertising Memory A Meta-Analysis of Advertising Effectiveness
Eun Sook Kwon, Karen Whitehill King, Greg Nyilasy, and Leonard N. Reid

easyJet: Project Multiscreen
Sophy Part, Niall Murphy

Narellan Pools: Diving into big data for Narellan Pools
Luke Brown

Advertising across Platforms: Conditions for Multimedia Campaigns
Jasper Snyder and Manuel Garcia-Garcia

Plan for recognition

Advertising must be associated with the brand behind it, if it is to work. The Ehrenberg-Bass Institute argues there are three main reasons for strong branding.

- To stamp ownership – so the category buyer knows the originating brand of the ad.
- To anchor a message – so the category buyer knows where to put the message in their memory and the link between the message and the brand is freshened.
- To act as a bridge between stimuli – so the category buyer links together a piece of communications with other stimuli from that same brand, whether in a multi-platform campaign or over time.

Fortunately, this doesn't mean the logo has to appear from the start. Kantar Millward Brown data shows strong branding of TV ads doesn't come from repeated use of the brand name, or introducing the brand early, but by the way the brand or branding device/asset is creatively integrated into the ad. Its analysis of Effie award winning ads shows that strong branding is the biggest differentiator between these ads and other ads in their database.

The result of poorly branded advertising is not just lower effectiveness. It has even been argued that it can help the competition, as consumers may associate the advertising with another brand in the sector.

The evidence

What does the evidence say?

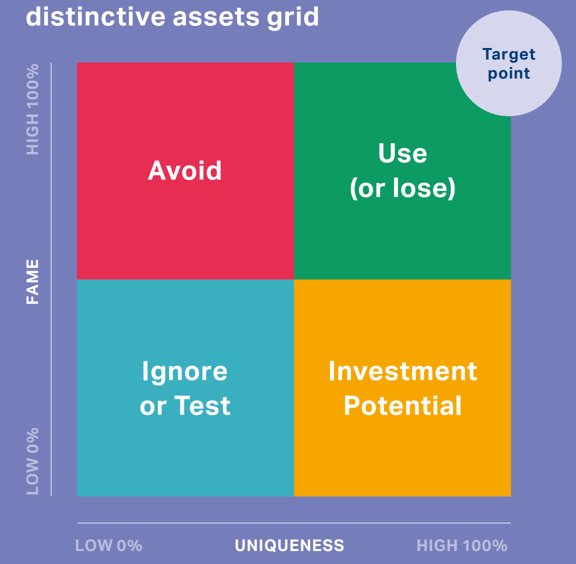
While all researchers acknowledge the importance of instant recognition, there are different ways to explain the concept. All, however, emphasise simplicity, distinctiveness and uniqueness.

Distinctive brand assets

When you see the golden arches or hear the word 'priceless', these are potential brand triggers that can evoke the brand name in your memory, without the brand name itself being present. The Ehrenberg-Bass Institute has identified such 'distinctive brand assets' as a key way of driving recognition, not just within advertising but across all marketing activity.

A study by Kantar Millward Brown showed that brands with the strongest assets are on average 52% more 'salient' than their rivals – in other words, they are much more likely to come to mind when consumers are shopping within the category. The implication is that brands should know what their assets are, decide which ones to invest in, and be cautious in how they change them.

Professor Jenni Romaniuk's distinctive assets grid



Source: Ehrenberg-Bass Institute 2011. Featured in 'WARC Webinar: Brand assets as a source of strength' by Jenni Romaniuk

Fluent Devices

Ad researchers System1 have developed a concept called the Fluent Device. This is a creative conceit (slogan or character) that is used as the primary vehicle for the drama of a long-running campaign. The more fluently an idea comes to us – as humans – the more appealing it will seem as a solution; therefore, easily recognisable symbols simplify the decisions we make. It is an argument in favour of brand characters, repeatable slogans, and the sorts of advertising technique that have arguably fallen out of fashion.

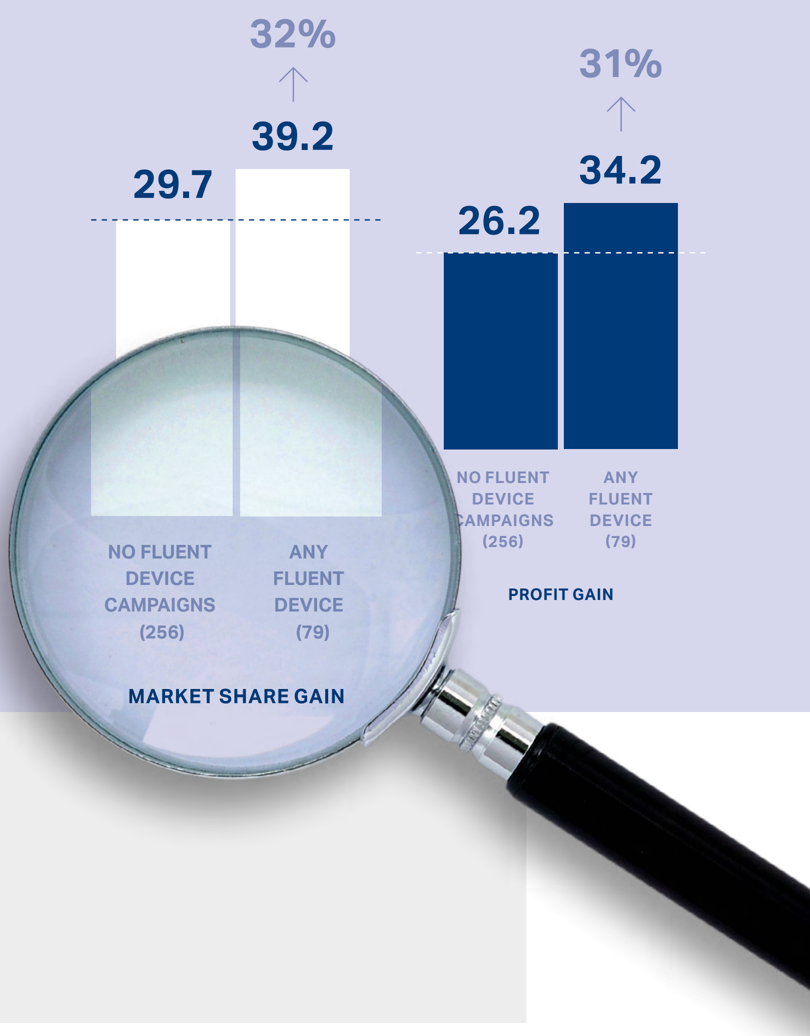
According to System1's research, Fluent Devices are more likely to achieve significant market share gain or profit gain. They are more likely to drive an emotional response, so enable greater impact of investment in media.

Neuroscience and the 'brand room'

Neuroscience backs up a lot of the academic evidence, with greater understanding of the way memory works and the importance of mental shortcuts. One neuro company, Neuro-Insight, uses the metaphor of the 'brand room' to explain their role. In our heads we carry networks of associations for the things that we encounter in our lives, including brands. As we gather new information about those brands, our memories link it by association to our existing knowledge and the networks grow. We can think about these networks as 'rooms' in our heads, with one for each brand we come across. Advertising, along with other brand touchpoints, plays an important role in helping to furnish or re-decorate these rooms by giving new information or changing perceptions of the brand.

Campaigns with Fluent Devices overperform on key measures
(% achieving very large effects on each)

Source: System1



Driving recognition in short-form ads

The rise of short-form ads presents some unique challenges to the advertiser. There is so little time in which to do a lot – but having triggers to link the brand to the ad can help. There is a consensus that you should put your brand or product at the heart of the video – and academic research suggests featuring the brand early on in these environments does not harm attention on the ad. A 2019 study from the Advertising Research Foundation found that six-second ads could be a good option for big, well-known brands able to drive recognition quickly.

The fall and rise of sonic branding

Sonic branding has been around for many years – many of the earliest radio and TV ads used jingles. And while the use of jingles has declined over the years, sonic branding has long been used by brands like Intel and Nokia. However, there is increased emphasis on them, which is being driven in part by consumers' willingness to use things like voice search on their smartphones and the rapid penetration of new voice-activated technology such as Google Home and Amazon's Alexa. Sonic branding can be viewed like any branding device, with distinctiveness being key.

What is changing?

Common mistakes

Confusion over distinctive assets
Marketers should research which assets consumers recognise to avoid rebranding mistakes.

Leaving the brand to the end
In an attention-starved media environment, leaving the brand 'reveal' to the end of an ad can undermine its impact.

Case Study

1

Mastercard's 'Mogo'

Mastercard has devised a melody that is simple, neutral, likeable and memorable, to act as a sonic branding device. The brand operates in 210 countries, so the melody is adaptable to multiple musical cultures, including in the West, Africa, India and China. It has devised a three-second "musical logo" to play at the point of purchase, which had the additional challenge of avoiding distressing retail workers who will hear it repeatedly. Additionally, there is a shorter 'mogo'. The mogo is less than three seconds, and is to be used as a sign-off on all ads.

The outcome?

Mastercard has devised a melody that is simple, neutral, likeable and memorable, to act as a sonic branding device.

Case Study

2

Aldi: Kevin the Carrot

The discount supermarket Aldi has grown rapidly in the UK. However, it faced a problem. During the key Christmas trading period, Aldi shoppers 'traded up and out' to treat themselves to luxuries. They spend disproportionally more at Christmas, but don't spend it at Aldi. Their 2016 Christmas campaign, inspired by the millions of children who leave a carrot out for Rudolf, featured Kevin the Carrot, who described Aldi's Christmas range campaign.

The outcome?

The success of the character in terms of customer engagement meant that it was brought back for the 2017 Christmas period, with ROI increasing year on year.

Case Study

3

Cheetos: Museum

Cheetos share of the cheese puff market was essentially flat. A new campaign identified a key brand asset – the shape of the Cheeto itself. Its starting point was that no two Cheetos look the same. The brand created the online Cheetos Museum, featuring real Cheetos found by real people that look like real things. It developed a series of online films featuring Cheetos that looked like Abraham Lincoln, the Statue of Liberty, the Loch Ness Monster and more. Each film ended with the slogan: 'What do you see in your Cheetos?'

The outcome?

During the 14-week campaign, Cheetos saw a 9.2% year-over-year lift in sales – almost double the set goal of 5%.

Expert Comment
Jenni Romaniuk

Research Professor
and Associate Director
(International),
Ehrenberg-Bass Institute
for Marketing Science

Building a distinctive asset palette

It can be useful to think of distinctive assets not as individual items but as part of a larger palette or menu of branding options. Just as a menu in a restaurant usually has a variety of options to match each diner's eating preferences at any point in time, a distinctive asset palette ideally comprises different asset types the brand can draw on to strengthen the branding in each context. By understanding the likely contexts where category buyers will experience the brand and matching these with the strengths and weaknesses of different asset types, you can create a succinct set of hard-working assets for the brand.

We can quantify the strength of any distinctive asset by drawing on two metrics, developed at the Ehrenberg-Bass Institute, that reflect the primary branding purpose of these assets.

Uniqueness is the extent to which your brand owns that asset, whereby your brand is the only brand the asset triggers. Fame is how widespread that knowledge is among those you are trying to change (category buyers, donors, supporters, viewers and so on). When 100% famous and 100% unique (or very close to), these assets can act as proxy replacements for the brand name. Distinctive assets can give you more branding options to work with, both within, and across, executions.

Our research into the attention-grabbing power of assets shows that distinctive assets only work to attract attention to advertising when they are familiar as branding devices; creative power alone is not enough. If an asset is not close to 100% fame and 100% uniqueness, then you need to prioritise strengthening the asset first. Gut feeling on distinctive asset strength is likely to lead you astray. We find that all but the most pessimistic of marketers are faced with a reality check when they measure the strength of their distinctive assets.

So, check your metrics before using any distinctive asset in any context and do the hard yards to build a strong asset first. Then once you have strong assets, capitalise on each asset's characteristics to counter programme against creative and improve the branding quality in any execution.

An extract from 'Building and employing distinctive brand assets' by Professor Jenni Romaniuk.

For more on this topic see the following on WARC:

Building and employing distinctive brand assets
Jenni Romaniuk

How to maximise the power of brand assets
Martin Guerrieria

Improving the branding of your TV advertising
Millward Brown

How to use neuroscience to improve your advertising
Heather Andrew

Contextual conversations and sonic branding: why brands need to rethink audio
Brian Carruthers

The rise in short form ads on TV – opportunities and challenges
Jim Berridge

Is six seconds enough? The impact of short-form ads
Stephen Whiteside

Lessons from Mastercard on how to create a sonic brand identity
Raja Rajamannar

Cheetos Museum
Cannes Lions Creative Effectiveness case study

Kevin the Carrot 2016 and 2017: How Aldi UK won Christmas with the help of a humble carrot
Jamie Peate, Darren Hawkins and Adam Zavalis

Six-second advertisements on television: Best practices for capturing visual attention
Henry G. Wolf VII and Paul Donato

How advertising attracts attention
Karen Nelson-Field and Erica Riebe

Contact information

Get in touch with our team:

Nicola Tillin
VP Commercial EMEA & Americas
enquiries@warc.com
+44 (0)207 467 8110

Edward Pank
VP Commercial APAC
enquiries@warc.com
+65 (0) 9327 3180

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