

Inspiring you to grasp the effectiveness nettle

**A talk for CAANZ
Merry Baskin, Baskin Shark
Auckland, 18th October 2016**



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Who was here the year for fabulous Paul Feldwick & Ali Buckanll?



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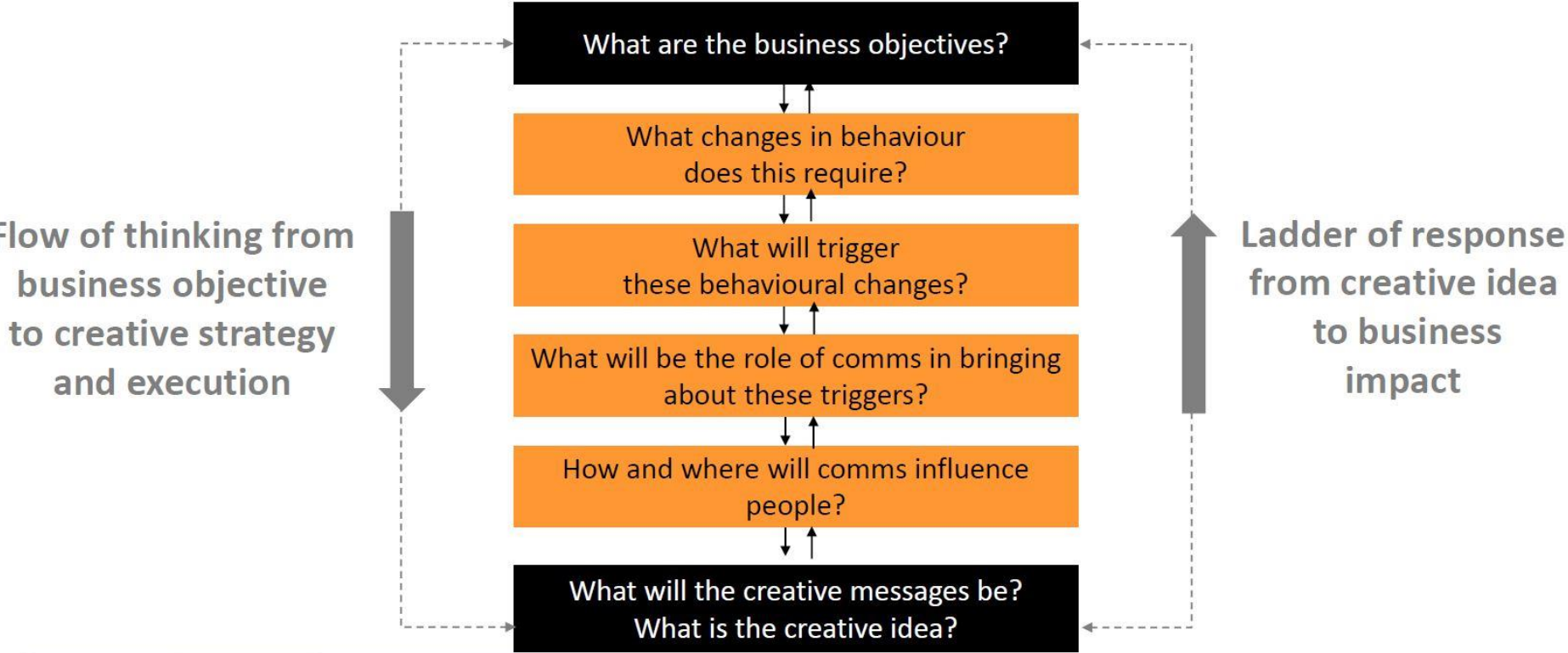
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Ali Bucknall's Top Strategic Map

For example – using strategic maps that give you a simple logic to link commercial need with the creative idea



“Those who do not learn from history are condemned to repeat it”

Paul spoke about:

- **History of ad theory and FX measurement**
- **IPA = rigorous case studies linking advertising to real business outcomes: sales, share of market, profitability, margins, staff morale, customer engagement, long term brand building**
- **Intelligent interpretation of multiple measures**
- **The magnificent meta-analysis of those awards by PF/LB**



A MASTER CLASS IN
BRAND
PLANNING
THE TIMELESS WORKS OF
STEPHEN KING

“Advertising has many gurus, many professors, many geniuses and many mavericks. But only one King.”

EDITORS JUDIE LANNON AND MERRY BASKIN

With contemporary contributions from Tim Broadbent Ogilvy Jeremy Bullmore WPP Hugh Burkitt The Marketing Society Stephen Carter Brunswick Neil Cassie The Cassie Partnership Simon Clemmow CHI & Partners Rita Clifton Interbrand Martin Deboo Investec Tom Doctoroff JWT William Eccleshare BBDO Paul Feldwick PFL Chris Forrest The Nursery Mike Hall Hall & Partners Creenagh Lodge Corporate Edge Kevin McLean Wardle McLean Ty Montague JWT Guy Murphy JWT Marco Rimini Mindshare Rosemarie Ryan JWT Andrew Seth Plum Baby David Smith DVL Smith Group Rory Sutherland Ogilvy Malcolm White krow

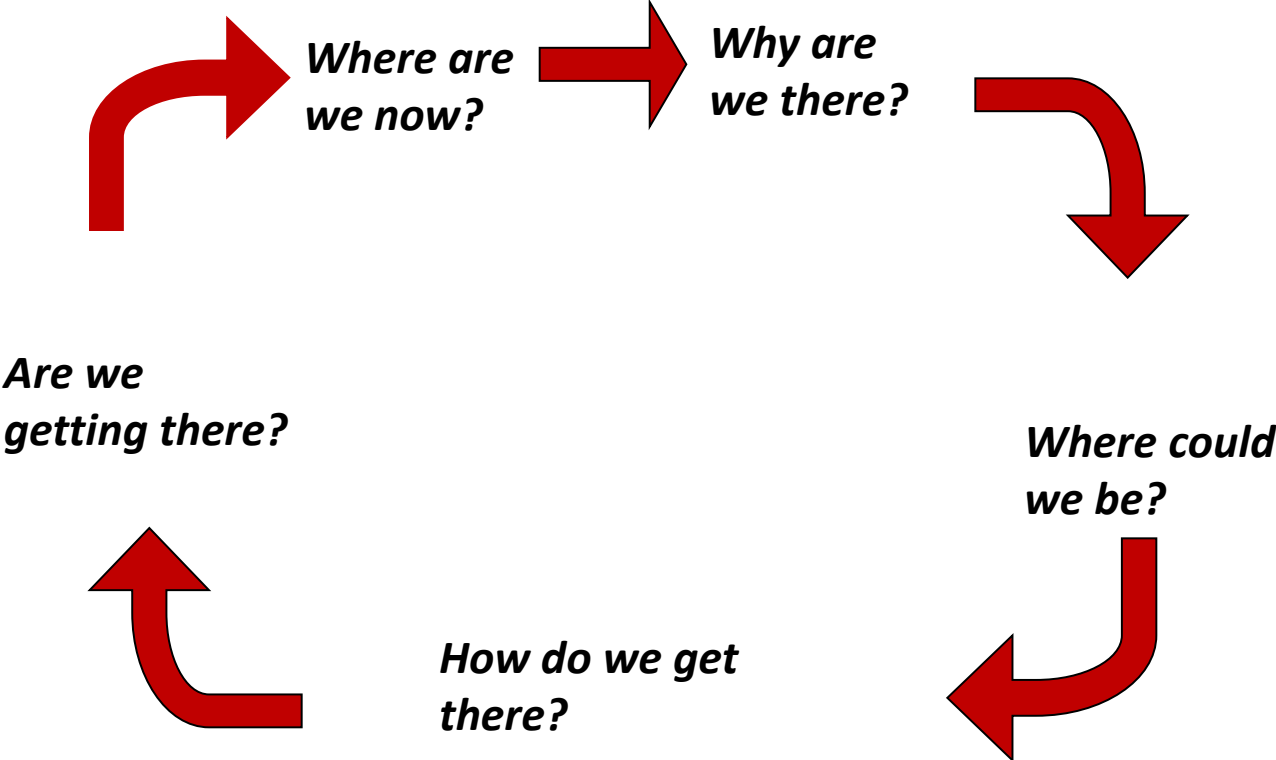
Stephen King's Legacy

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His Strategic Tool: The Planning Cycle

Stephen King, JWT 1968



**"GOOD ENOUGH
IS NOT ENOUGH"**

Jay Chiat's Wisdom

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Who am I?

What do I know?

- Former agency planning head
 - JWT London; Chiat/Day New York; Lowe/Brindfors Europe
- Veteran APG/IPA Course Tutor
 - UK, Europe, Asia, Africa, America
- Best Practice Author Admap
 - Most downloaded pieces 2011 -2015
- Strategy Awards Judge
 - APG, Jay Chiat, Marketing Soc
- Effectiveness Judge:
 - IPA, Cannes Lions, US/Euro/NZ Effies



HBR – The business issues ahead

- **New rivals, new rules**
- **Productivity decline**
- **Aging workforce**
- **Tax breaks likely to change**
- **Interest rates increase**
- **Labor costs increase**
- **Talent war ensues**
- **Profit margins shrink**



Our industry issues ahead:

- **Mass TV audiences declining**
- **Growth of once a year event ads**
- **Shrinking client tenure**
- **Long term agency relationships dying**
- **Ad blockers growing**



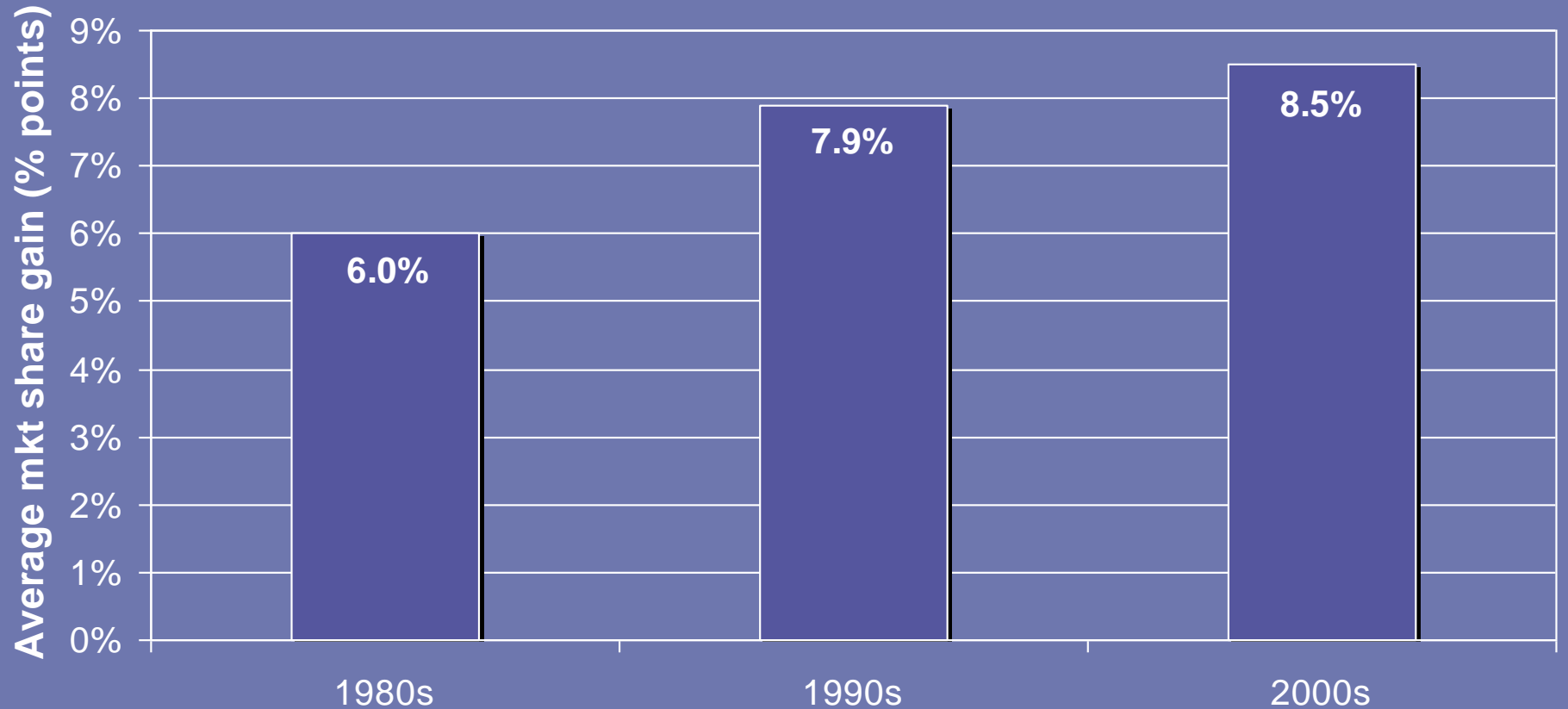
Issue: Traditional brand building infrastructure is collapsing (1):

- **“Mass TV audiences declining”
(allegedly)**



TV is becoming more effective (IPA)

Effectiveness of campaigns using TV as lead medium



Issue: Traditional brand building infrastructure is collapsing (3):

- **Agencies → master tacticians not brand builders**
- **Predominance of Efficiency over Effectiveness.**
- **Fewer case histories to inspire**



Back to the Nettles...



- 1. MacDonalads/Omnicom zero profit PBR 'deal'**
- 2. On line advertising fraud**
- 3. Short termism undermining creative effectiveness**
- 4. Media's shady kickbacks**
- 5. Declining digital ad spend**
- 6. Online identity crisis**



1. McDonald's/Omnicom zero profit PBR 'deal'

- **“The client required competitors to complete their respective pitches in 60 days, and presented contracts **forbidding** future partners from turning a profit on base compensation. Agencies work at cost before meeting unspecified targets for performance-based pay”**
(Ad week)
- **Martin Sorrell wasn't lovin' it!**



PBR or PRF

- **A good incentive to deliver outstanding work that works**
- **Can be applied to all sectors of Marketing**
- **Risk and reward**
- **Clients must have the budget to pay up**
- **Currently 66 % of agency contracts are based on some sort of PBR in the UK**

(source IPA)



Before you adopt a PRF consider:

- **Context**
- **Win Win**
- **Objectives**
- **Difficulties**
- **Administration**



Implications for Planning

- **Who is going to police it?**
- **Combination of qual and quant measures, business, brand, consumer**
- **What about other measures e.g. creative awards, results focused awards (Effies?)**
- **Have you got the craft skills?**
- **Can you 'showcase your science?'**



2. On line advertising fraud

- ***“Tsunami of bullshit about digital video”****
- **Inflated viewing figures for over 2 years by as much as 80%**
- **A digital view = 3 seconds in and you are counted**
- **NB: Lumen data shows that only 4% of digital display ads are viewed for more than 2 seconds**

***Professor Mark Ritson**



3. Short termism undermining creative effectiveness

“While creatively awarded campaigns are six times as efficient as non-awarded campaigns, it was 12 times in 2011”.

Peter Field/IPA 2016



4. Media's "shady kickbacks"

“I don't believe that [media agencies] have got the best interest of their clients at heart any more.”

Jon Mandel, ex CEO of media agency Mediacom



5. Digital ad spend in decline

- Brands are **questioning** their returns from digital marketing
- P&G is **moving away** from Facebook 'precision targeting' and reverting to reach
- Advertisers are **'rebalancing'** their spend online
- Fear that brands have shifted money away **too quickly** from traditional formats



6. Online Identity Crisis

- **Growing consumer awareness of our 'unknown' online identities**
- **Increasing alarm at how little control we have over how our online data is used**
- **How everything we do online is stored and retained and available for scrutiny by government and private business**



Remember:

- **Algorithms need good data and the context is key**
- **The fundamentals of human nature have not changed**
- **Increasing nervousness about online persona tracking is damaging the trust we have in brands**



Implications for Planners

- **Beware: metrics for digital are shabby**
- **Stop being obsessed by the short term**
- **Build your brands**
- **Encourage Effie entries and judges to look to the long-term**
- **Make the business case to invest more in brand building**
- **Know your market research onions**



Be a Trusted Advisor to those short tenure clients

- **What you think, hmm? Yes, hmmm.**
- **Seek advice, you must**
- **Selling that ad for you, I am not**
- **(Planner ≠ Shill)**



Here's what I'd like the next international judge to see in 2017

- **More great (strategic, brand) story telling**
- **More long term brand building cases**
- **More business to business cases**
- **More evidence of brand tracking investment – however paltry to start with**
- **Considerably more heft and beef in the measurement section**
- **LEARN from your wrong doings**



Here's what I'd like the next 'famous' international judge to NOT see in 2017

- **Any tables without base sizes or sub sample sizes**
- **No evidence of the exact questionnaire wording**
- **No data shifts tested for statistical significance (so they don't have to do it themselves)**
- **No schoolboy errors; if 10% of the marks are based on an ROI calculation, it's a good idea to include it**
- **No assertion and assumption parading as evidence**
- **No attempts to prove that the Rosser Reeves fallacy isn't one**
- **No time wasting (for both authors/judges) entries**



Wisdom of Winston Churchill



**“We have no money
so we shall have to
think”**

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**Even if you are on the right track,
you'll be run over if you just sit there**

Will Rogers (1879 - 1935)



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