Why aren't we doing this?

UPDATED DATA: APRIL 2022

How long-term brand building drives profitability

By Peter Field

Acknowledgements

We would like to thank the IPA in the UK for their continued support and the generous access to their case study database.

We would also like to thank all those New Zealand brands that have made their case studies available to us for this publication.

Lastly, we want to thank those businesses that believe in the power of brands and the positive impact it has.

To find out more about the power of building brands, and how to build them, talk to a Comms Council member today.
A list of members can be found at
www.commscouncil.nz

p: 09 303 0435
e: office@commscouncil.nz
w: www.commscouncil.nz

Commercial
Communications
Council

Contents

Foreword

**Technology has fundamentally changed the way content is delivered and consumed.
In recent years there has been an explosion in content choices for consumers and new opportunities for advertisers to engage audiences. The fragmentation of audiences across different media has also made it increasingly challenging for marketers to attract audience attention, successfully communicate brand messages, and measure advertising effectiveness.**

Marketers around the world, including here in Aotearoa New Zealand, are grappling with how to reach consumers efficiently and effectively. When it comes to assessing advertising effectiveness and identifying best practice Peter Field stands out as a global thought leader and one of the best strategic marketing thinkers of his time.

Great marketing has always required a blend of art and science and I've often thought the saying 'not everything that can be measured matters, and not everything that matters can be measured' is an apt reflection of the dilemma of measuring marketing effectiveness. At the heart of Peter's analysis is the value of making the distinction between short-term and long-term measurement.

The fast-paced environment we operate in combined with real time access to performance data has fueled the elevation of short-term thinking. We've moved away from building brands in favour of sales activations that prioritise immediacy.

This shift has had the unintended impact of reducing the impact of advertising and undermining brand equity.

The biggest challenge in marketing continues to be cutting through the wall of customer indifference, and brands are arguably the most critical lever available to address this challenge.

Brand equity is much like credit in a brand bank account. The more we invest in our brands the more credit they accumulate and this is how power brands sustain high market share and price premiums. It also helps successfully offset the impact of deductions from this bank account like poor user experiences, inconsistent product quality, or sustained price discounting.

Brands live in the minds of customers and these perceptions are significantly shaped by the stories we and others tell about products and services - and not just at the time of purchase. Peter's analysis highlights the need to strike a better balance between the short and long-term if we want to build brand preference and sustain customer loyalty beyond near term tactical offers.

The strongest brands make us feel something, and this emotive response helps cut through the daily avalanche of information customers are bombarded with to positively influence purchase intentions. This handbook demonstrates the science behind emotional engagement and the significant contribution this makes to advertising effectiveness.

Peter has often been referred to as one of the 'Godfathers of Effectiveness' and I've long been a convert of his brand building philosophy and insights about effective marketing. I'm sure after reading this you will be too.

Kevin Kenrick
Company Director and former TVNZ CEO
March 2022

About the Author

Peter spent 15 years as a strategic planner in advertising and has been a marketing consultant for the last 25 years. Effectiveness case study analysis underpins much of his work, which includes a number of important authored and co-authored marketing and advertising texts: *Marketing in the Era of Accountability, Brand Immortality, The Long & The Short of it, Advertising in a Downturn, The Link Between Creativity and Effectiveness, Media in Focus, Selling Creativity Short, Why aren't we doing this?, Effectiveness in Context, The Crisis in Creative Effectiveness and chapters in Eat Your Greens, The Effectiveness Code* and the *Sage Handbook of Advertising.*

His most recent works include: *The 5 Principles of Growth in B2B Marketing* (2019, with Les Binet), *Advertising in Recession – Long, Short or Dark? (2020), Winning or Losing in a Recession, To ESOV and Beyond,* and *The Alchemy of Effectiveness (2020 & 2021, with Rob Brittain)*. Peter has a global reputation as an effectiveness expert and communicator and speaks and consults on this topic regularly around the world.

Introduction

This is an evidence-based paper, not an opinion-piece. The data we examine here comes mostly from the effectiveness database of the UK Institute of Practitioners in Advertising (IPA).

This consists of the confidential data submitted alongside entries to the IPA's biennial advertising effectiveness awards competition. The data is increasingly global because, increasingly, the case studies come from around the world – they include New Zealand cases. The analysis shows how campaign inputs, such as strategic or media choices, influence outcomes such as hard business effects and shows how this varies over time from the short-term to the long-term.

It is the timescale observations that are so vital here, because it transpires that what works best in the short-term is pretty much the opposite of what works best in the long-term. It is dangerous to focus on only one timescale, especially the short-term: the most successful businesses balance short- and long-term activity and this means brand building, as this paper will show.

Peter Drucker,
1993

“Long-term results cannot be achieved by piling short-term results on short-term results.”

The Danger to Brands

All over the world – and New Zealand is no exception – companies have been allowing their brands to weaken. The impact on marketing effectiveness is real, measurable and considerable. They are doing this by choosing to spend less and less on brand building. With that choice, many are unwittingly risking their future survival.

Why would rational, well-managed businesses choose to inflict such self-harm?

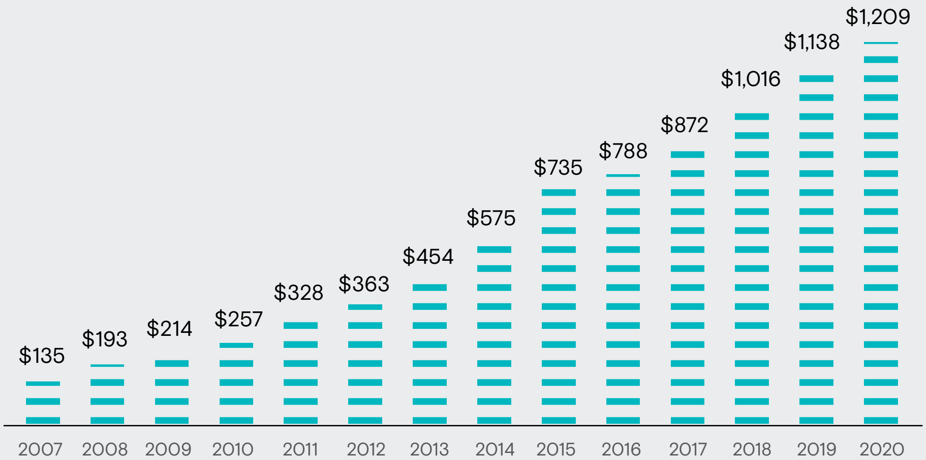
The answer for many is that they have been seduced by an increasingly widely heard mantra: that brands are no longer important to people and therefore brand advertising is a waste of money. This, of course, can become a self-fulfilling prophecy: if we give people no reason to be interested in our brand then they will no longer look for it. But this is not inevitable and it turns out to be a serious commercial mistake.

Advocates of this misguided prophecy believe that in the future, none of us will make non-rational product decisions based on our *feelings* about brands. Consumers will instead make informed product choices in real-time based solely on product performance or convenience and value for money. All companies need do to be successful, therefore, is to deliver information about their products in a timely and relevant manner and make them easy to buy, and brand building will have no place in this world.

Many have been powerfully influenced by this belief already; the explosive growth of ‘performance marketing’, using data-driven social and search retargeted display advertising to deliver these timely and relevant product messages, has now made it an increasingly dominant advertising approach in New Zealand and around the world. The economic impacts of recent Covid lockdowns along with the associated digital transformation of brands have accelerated this trend.

DATA-DRIVEN ACTIVATION IS EXPLODING

NZ online activation – spend in $ millions



Source: IABNZ Base: search, display & classified – excludes social media

Fig 1. NZ data-driven activation has grown explosively

The thinking that has driven this growth was neatly expressed in a print ad from 2013 promoting search. The very simple copy of the ad read **"You know who wants a haircut? People searching for a haircut".** More recently, even cleverer ways have been developed of identifying people who might be about to buy a particular product, based perhaps on location or artificial intelligence analysis of behaviour patterns.

But where does this approach get you?
As a way of acquiring new customers, it makes great sense if you're a local hairdressing salon. Geo-targeted search-driven ads, probably with an incentive, can indeed deliver new customers to the doors of un-branded businesses. Brand-building advertising is probably beyond the reach of such businesses.

But this ad wasn't targeted at hairdressers. It appeared in a business magazine and was aimed at professional marketers, like so much of the sales targeting of social and search companies. Yet there is a fundamental flaw in proposing this *performance marketing* approach to drive growth for large-scale businesses. For them, especially those with significant online sales, performance marketing is a useful short-term sales tool but not effective, *on its own*, in driving profitable long-term growth: it needs to work alongside brand building.

“We had a problem that we were focusing on the wrong metrics, the short-term... It told a very digitally focused story, that you should invest in paid search, online display. But when you look at econometric modelling it tells you something very different”

Simon Peel, Adidas Global Media Director,
quoted in Marketing Week, 21st October 2019

Many start-ups are misled by their early success, when small, with the performance marketing model. They fail to spot that, as they grow, they need to pivot to brand building to maintain growth: we will revisit this mistake later in this paper.

The issue is much bigger than the choice of media. It is about the growing and erroneous belief amongst businesses that it is more effective for advertising to serve information *at the moment of purchase* that will nudge consumers to choose the brand, rather than to seduce them into wanting to choose the brand *in advance of purchase.*

For larger businesses, this information and data-driven model simply cannot deliver in the same way.

For starters, the data tools are available to all competitors equally, so there is no sustainable source of competitive advantage created by this advertising. And, at this level in the market, there is sufficient competition to trip an ‘arms race’- a bidding war for the last-minute attention of prospects. Even worse, it will probably start a parallel arms race in the levels of incentive necessary to neutralise competitors’ offers.

Such bidding wars are already happening. Look at the rising cost of search-driven advertising, with advertisers bidding against one another to serve their messages to the hottest prospects.

“We realized we were shoving people through a purchase funnel to get them over the finish line. And guess what? It got very rational; it got very functional; and we had a lot of price-promotion offers.”

Eric Reynolds, CMO Clorox,
ANA Masters of Marketing Conference, October 2017

And there is an additional new problem for data-driven marketing: the global rise of consumer data protection by governments and regulators. As the quantity – and quality – of data that advertisers are allowed to collect is restricted, so its value and reliability is reduced. Add to this the hugely widespread problem of fraud in the viewing and response data of these ads, which adds further to the costs, and the model looks less and less attractive.

Meanwhile, these promotional incentives are increasingly expected by consumers. This fuels a margin-destroying cycle that undermines the very profitability on which businesses depend for their future investment. For branded businesses, this model can become a death spiral.

Brand building, by contrast, brings positive benefits to profitability. The data reviewed here shows its impact on pricing power, but there are many other proven benefits of brand building too: with investors, suppliers, distributors, employees and other stakeholders, all of whom are attracted more to strong brands. But none of these benefits accrue to those who turn their back on brand building.

It is not too late to escape from this no-win scenario. Not if you act now and join a growing number of global blue-chip marketers who have already identified the danger and chosen to increase investment in brand building.

Live a Little Freer – AAI

The insurance category is a hard battlefield to win on. Not only is it highly competitive with many well-established brands, but when it comes to low-interest categories, none come lower. Not only are customers disinterested, but they're promiscuous - happy to switch from one brand to another if the price is right or the promotional offer's good enough. Unless you're one of the top 2 or 3 brands that come to mind, growing business is almost impossible.

Enter AA Insurance: 25 years young, pigeonholed for just car insurance, trying to take on the big guns. AA Insurance couldn't afford awareness at scale. So, they launched emotion at scale. An integrated brand platform to outlast the competition in consumers' minds. One which could overcome people's indifference and distract them from all the rational offers out there.

To cut through, AA Insurance needed to do things differently. Typically, the category draws attention to what goes wrong in life. By dramatising potential disasters, the industry creates a need for its products. But fear was not the emotion AA Insurance wanted to sell. They would set people free from fear. And so, "Live a Little Freer" was born. Be it a red wine loving couple confined to an all-white living room, a father-daughter duo playing a boisterous game of dinosaur vs unicorn surrounded by fragile things, or a 'magical' little wizard replacing missing items in his home, three years of emotive storytelling has made the brand memorable - even loveable. So much so that AA Insurance is now NZ's #1 preferred General Insurer and has outgrown its competitors not just in Car, but Home and Contents insurance too.

Brand building = Sustainable Competitive Advantage

Brand building delivers sustainable competitive advantage in a world where there are few other sources. By creating and reinforcing desirable associations for their brands, companies can create demand for their products even if they enjoy no tangible advantage over those of their competitors.

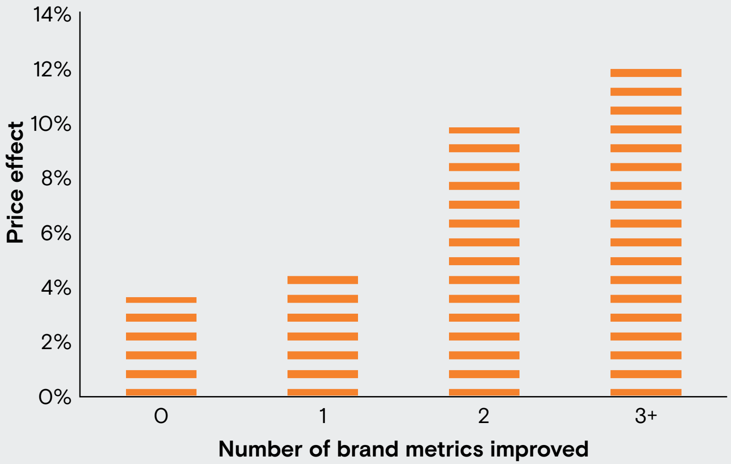
This advantage doesn't just drive sales more strongly: it impacts pricing power and, consequently, the ability to boost profitability.

Brand building doesn't just drive incremental volume, it also delivers incremental margin – the two together drive long-term profitability in a way that short-term data-driven offers simply cannot.

Data from the UK[1] suggests that if a business doesn't strengthen its brands, its ability to boost long-term brand profitability is severely limited. The charts show how pricing power and profitability both rise in line with the number of brand metrics[2] that are strengthened.

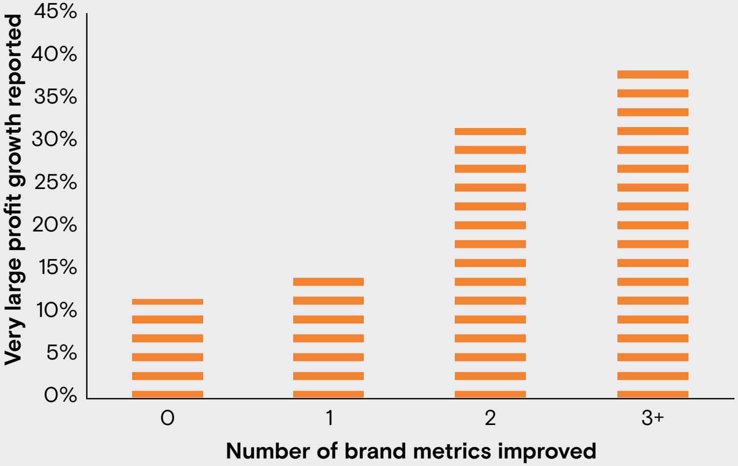
1 Here digital era data only is examined – around 600 case studies. The case study data is increasingly global.
2 The data captures a basket of seven brand metrics, such as awareness, trust and differentiation – the charts observe how many very large improvements to these were reported.

BRAND BUILDING IS KEY TO LOWER PRICE SENSITIVITY



Source: IPA Databank, 2000-2020 cases

BRAND BUILDING IS KEY TO LONG TERM PROFIT



Source: IPA Databank, 2000-2020 cases

Figs 2 & 3. The importance of brand building – data from the IPA effectiveness databank

The Rise of Sales Activation Advertising

Despite this clear evidence, global expenditure on brand-building advertising has been reduced to fund the growth of sales activation advertising; targeting consumers at the moment of need with a piece of information that might lure them to buy right now.

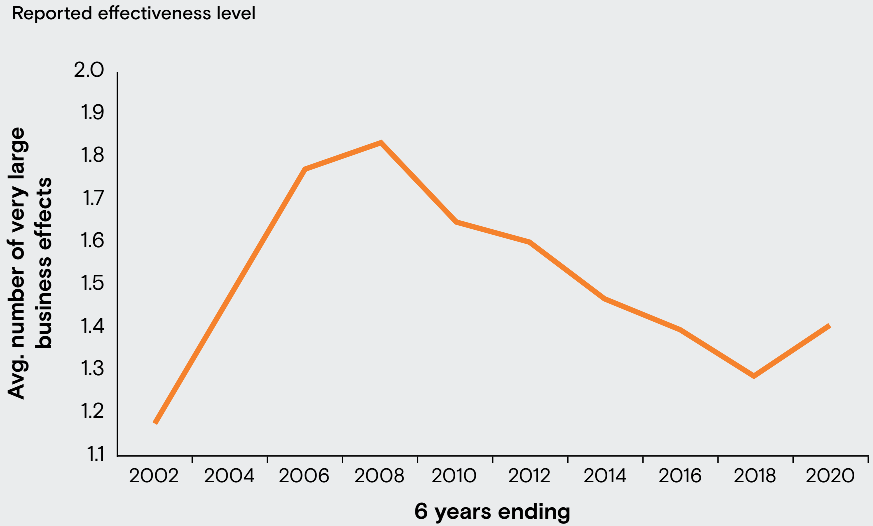
New Zealand has been no exception: digital sales activation advertising alone already accounts for around a half of total New Zealand advertising spend[3]. Add in sales activation using traditional media such as DRTV, radio and print and the total is well over 50%.

This dramatic shift to short-term sales activation does real damage. And it's damage that can be measured. Campaigns from all around the world submitted to the UK IPA Effectiveness Awards have shown a considerable drop in typical levels of effectiveness, reversing an earlier improving trend. The timing of this drop is no accident. It coincides with the advent of 'performance marketing' which started to take off around 2006, and has consumed an ever-growing share of the total advertising pot since. This shift to short-termism accelerated during the Global Financial Crisis, so this is the legacy of more than a decade of damage.

3 Sources: IABNZ, ASA NZ. In 2020 total NZ adspend was $2.6bn of which $1.2bn was digital activation (mostly paid search) and a further $130m was social media (which is mostly used to activate short-term sales).

Encouragingly, perhaps prompted by the high-profile experiences of Adidas and others, there are the first signs of a counter-trend emerging, at least amongst the effectiveness leaders who enter awards competitions such as the IPA's. 2020 saw the first reversal of the trend to short-termism; social media's average share of budget fell for the first time as the proportion of budgets allocated to brand building started to rise. It is no coincidence that for the first time since 2008, average effectiveness levels have started to recover.

AS SHORT-TERMISM TOOK OFF, EFFECTIVENESS FELL



Source: IPA Databank, 1998-2020 cases

Fig 4. Effectiveness fell when short-termism took off and rebounded when it abated

But this trend away from short-termism is far from universal – advertising revenue data tells us that performance marketing and other forms of short-term sales activation are still growing. And the effect of the Covid pandemic on marketing temperament has assisted this growth.

There are a number of forces at work to pressure businesses to focus on the short term. One is undoubtedly the growth in investor pressure to deliver consistent improvements to quarterly results.
But there is another equally powerful motivator at work: the mistaken belief that by focusing on short-term growth you automatically achieve long-term growth.

It sounds reasonable at first. But **strategies that deliver the strongest short-term sales effects are more or less the opposite of the strategies that are best for long-term growth.** Focusing on short-term sales inevitably conflicts with long-term growth – and the conflict is serious.

Brand building doesn't just drive incremental volume, it also delivers incremental margin – the two together drive long-term profitability in a way that short-term data-driven offers simply cannot.

Short-Term Sales Activation Versus Brand-Building Advertising

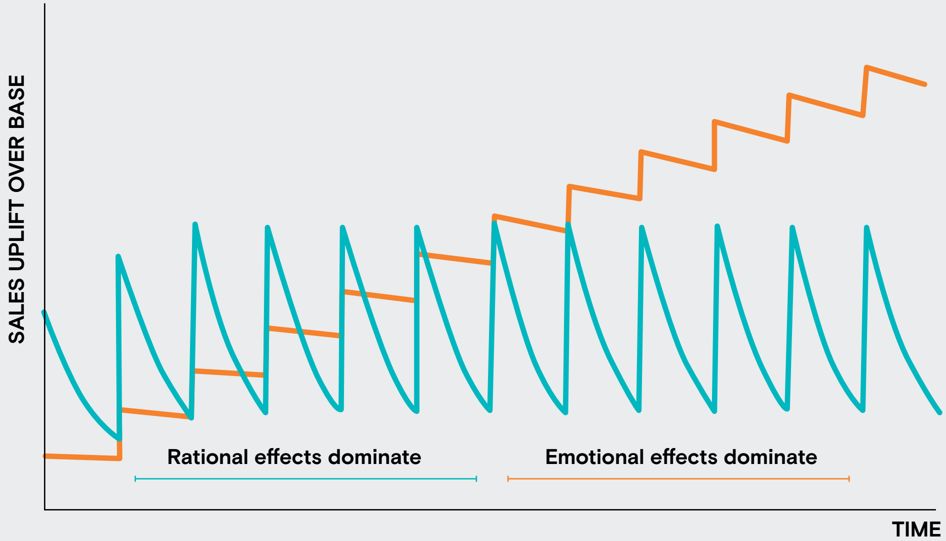
Short-term sales activation is best accomplished by behavioural prompts that nudge people to buy now: these could be deals or offers, reminders, product news or a seasonal message.

These messages are not very memorable (facts are not retained in the way that feelings are) and may also be time-limited in their nature, making it important to serve them to those who might buy the brand as close to the point of decision as possible. And, because these messages are so forgettable, they are unlikely to influence future decisions unless you deliver a further 'reminder' message at the appropriate time. This makes them relatively inefficient over time as you have to keep re-serving the message.

If you adopt this approach, you end up with an ultimately expensive 'always on' advertising model. One characteristic of this is short-term advertising effects that do nothing to make next year's sales targets any easier to achieve.
This is illustrated by the blue line in this diagram.

Long-term growth is best accomplished by brand-building advertising that creates powerful memory structures for a brand. These memory structures prime consumers to want to choose that brand. Nobel prize winner Daniel Kahneman[4] has shown that the most powerful priming influences on behaviour are those that trigger a 'System 1' brain response. This is our feelings-driven, effortless and automatic decision-making process. He argues that the vast majority of our decisions are made through System 1, based on what feels right.

EMOTIONAL BRAND-BUILDING AND RATIONAL SALES ACTIVATION WORK OVER DIFFERENT TIMESCALES



Rational messaging
Short-term sales uplifts, but brand perceptions unchanged. No long-term increase in sales or reduction in price sensitivity.

Emotional priming
Brand grows stronger, leading to long-term volume increase and reduced price sensitivity.

Fig 5. Emotional brand-building and rational sales activation work over different timescales[4]

4 Taken from 'The Long and The Short of It', Binet L & Field P, IPA 2013
5 'Thinking fast and slow', Kahneman D, Allen Lane 2011

Imagine – Lotto NZ

Buying a Lotto Powerball ticket is an irrational act. Think too hard about the chances of winning, and you quickly talk yourself out of buying a ticket. That's why it's so important to constantly top up the dream to overcome player apathy.

In 2016, Lotto NZ embarked on a shift from its short-lived, transactional advertising that only reminded players of the slim chance they had of winning, to a platform that taps into the emotional wellsprings that override the rational reasons not to play.

For New Zealanders, it isn't dreams of lavish luxury and opulent things that get them down to the Lotto shop. It's dreams of freedom: to make a meaningful difference in their lives and those close to them. It's this enduring insight that the "Imagine" platform was created from. A platform that inspires Kiwis to dream big, by telling emotional stories that stir people to imagine what they could do for others with a Powerball win.

Each story appears vastly different from the next, but all five Imagine instalments follow the same recipe:

- **An epic story: big dreams need big stories to inspire them**
- **Deserving winners: good people trying to do good in life**
- **A moment of transformation: a pivotal point when a Powerball win changes everything**
- **Doing it for others: the story always hinges on an act of generosity**
- **Although heightened, a believable story**

With each new Lotto NZ ad, the challenge becomes even greater to outdo the one before it. That's because, with a strong, consistent platform each instalment has transcended beyond advertising to become a cherished part of culture. This commitment to long-term brand building has delivered consistent sales growth, even in low jackpot weeks, overall delivering over $115m in additional revenue.

Advertising that creates positive feelings towards a brand therefore has a powerful influence on consumer choice. Put simply, if we like a brand we tend to believe that it is better than the alternatives.

It takes time to create and reinforce such feelings, so they tend to have modest short-term effects (making this route unattractive to those who only seek short-term sales), but because those System 1 memory structures are so durable, they strengthen over time if you continue to invest in them. In this way brands can become 'mentally always on' in the minds of consumers, even if they are not 'physically always on' in media advertising.

The result? The most powerful brand advertising can create attractive associations for brands that last for decades, making them immensely valuable assets.

That is why Deloitte[6] reported that the additional intangible value of New Zealand's top 10 brands was worth $4.7 billion collectively in 2012. These brand assets continue to drive growth long term. Look at the orange line in the diagram on page 23; while brand building may get off to a slow start in sales terms, it becomes a much more efficient way of driving growth over the long term.

6 'Advertising Pays - The economic, employment and business value of advertising', Deloitte Access Economics, The Commercial Communications Council 2017

The most powerful brand advertising can create attractive associations for brands that last for decades, making them immensely valuable assets.

The Dangers of Short-Termism

In the past decade, we've been deluged with new advertising tools and metrics, nearly all making impressive claims about their effectiveness. But the important consideration is: Over what time scales are they measuring that effectiveness? It is usually only over the very short term, so while they may work at the sales activation level, they're not validated for long-term, brand-built growth. A recent study[7] revealed that Facebook's own 'Brilliant Basics' guidelines for advertisers, whilst successful in driving immediate sales response, weakened long-term brand building. The tension between the two objectives is inevitable.

There is another complication in all of this. Data from the UK and Australia[8] suggests that the cusp at which brand building starts to take over as the dominant driver of growth is six months into the life of campaigns (assuming they run that long). Quarterly reporting then takes on a dangerous extra significance: it prompts marketers to choose sales activation strategies and blinds them to the long-term benefits of brand building.

This double-whammy is now undermining brand building on a massive scale, all over the world.

7 See "Look Out" IPA 2021, Wood O, p 116
8 See "The Long and the Short of it" IPA 2013 and "The link between creativity and effectiveness", ADMA 2013.

Paul Polman, CEO Unilever,
McKinsey interview

OCTOBER 2017

“Bit by bit, you become internally focused, think in the shorter term, and undertake activities that don’t create long-term value.”

The ROI Fallacy

But it gets worse. Recent years have also seen dramatic growth in the use of Return on Investment (ROI) as a primary metric for marketing decisions; governing choices about which strategy, which campaign and which media should be used. It sounds sensible, but is highly dangerous, especially when the timeframes over which ROI is measured, are short.

Marketers forget that ROI is a ratio – what you get back, divided by what you put in. There are two ways to maximise this ratio: Increase the profit you generate, or minimise the amount of money you invest. Sadly, especially in the short term, the easiest way to boost ROI is to look for ways of cutting investment, and this means opting for sales activation over brand building.

ROI encourages marketers to think short-term and to reach only for the low hanging fruit in their market. They target advertising tightly at consumers who are in the market right now. They reduce their investment in brand building because it takes time to deliver growth and they switch ever more expenditure to sales activation, such as performance marketing, which can deliver short-term results but does little for long-term growth.

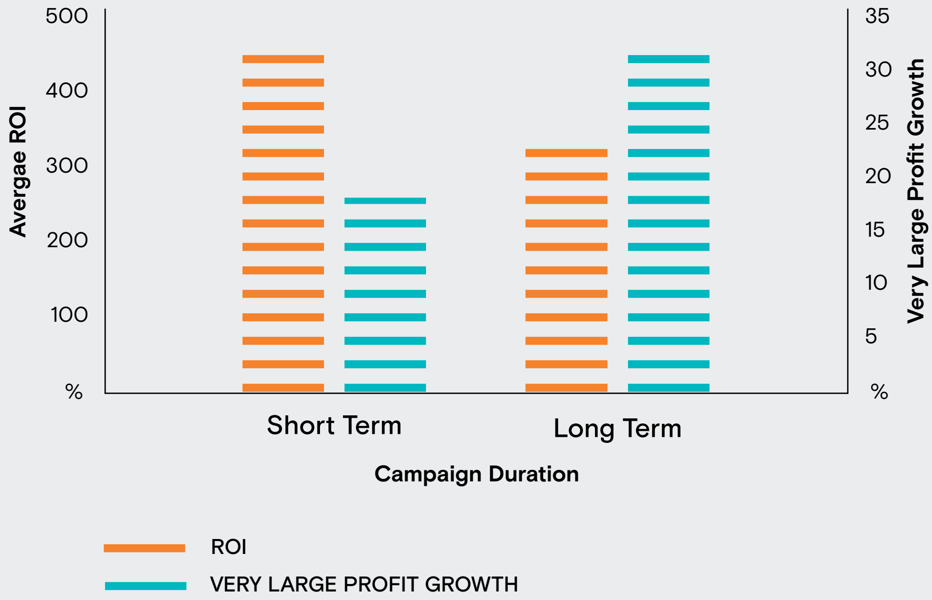
It's an imprudent trade-off. What those marketers achieve is mediocre long-term results, but at minimal cost: so the ROI looks great, but absolute profit growth is dire – and this is exactly the pattern that appears in the UK IPA data.

“We realized we were getting very short-term focused. We were targeting the kinds of people who already loved us ... We sold stuff. The ROI went up. We felt great about that. But guess what? We forgot the golden rule of brand building: Brands are built through penetration.”

Eric Reynolds, CMO Clorox,
ANA Masters of Marketing Conference, October 2017

Although long-term campaigns (those designed to work over periods of more than six months) delivered 25% lower ROI than short-term campaigns, they were 75% more likely to deliver very large profit growth. ROI maximisation does not align with profit maximisation and businesses would be much better off pursuing the latter.

FOCUS ON ROI DRIVES SHORT-TERMISM BUT NOT PROFIT GROWTH



Source: IPA Databank, 2008-2020 cases

Fig 6. Short-term campaigns deliver better ROI but much lower absolute profit growth

Getting the Right Mix

No one said you have to choose between brand building or sales activation. Quite the opposite. If you combine them, in balance, you get powerful multiplier effects.

This is because brand building boosts short-term sales activation if it has had enough time to create the priming effect described above. We've known for a long time that response rates to direct marketing rise considerably after brand communications are added to the mix, and there are many case studies illustrating this. The impact of a stronger brand on short-term sales activation is clearly seen in the IPA data: ultimately, it is highly beneficial to the success of activation messaging if the brand is strong.

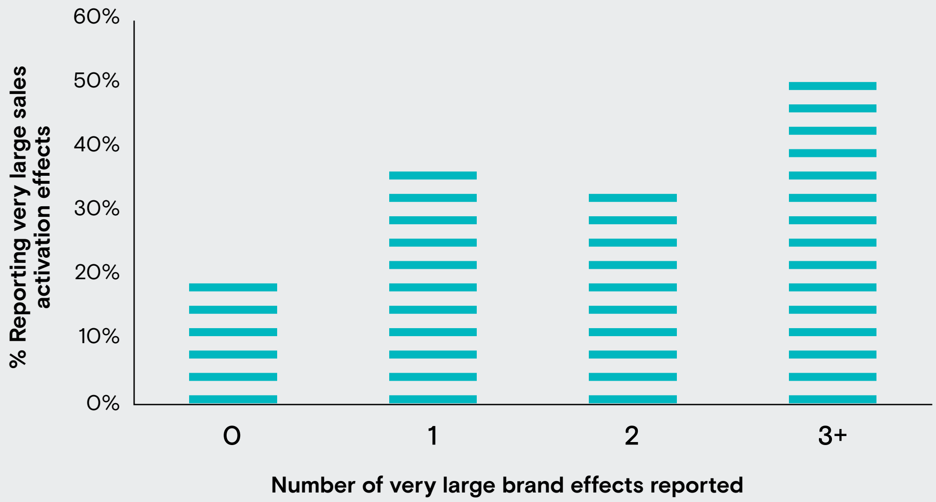
Case study analysis[9], widely backed up by long-term market mix modelling, suggests that the most effective campaigns over all time frames are those that combine a strand of brand-building activity with a strand of activation messaging, in balance. Typically, the ideal ratio in budget allocation is 60:40 brand:activation.

This ratio does vary slightly according to the category and circumstances of the brand[10]. Because the objective is to balance long-term and short-term effects, if one of these two tasks is more difficult in a certain context than is typically the case, then advertisers need to re-balance towards this more difficult task.

9 :Media in Focus, Binet & Field P, IPA 2017
10 See "Effectiveness in Context", Binet & Field P, IPA 2018

So, in categories where brands are more difficult to build or consumers are less confident, such as financial services, the ideal mix shifts to 70:30 or beyond. In categories where brands are easier to build or where there is limited time to activate sales because products and services are highly 'perishable', such as travel or quick service restaurants, the ideal mix shifts to 50:50 or beyond. But the sweet spot for effectiveness and efficiency is always a combination of brand and activation in a ratio not greatly different from 60:40.

BRAND BUILDING BOOSTS SHORT-TERM EFFECTS



Source: IPA Databank, 2000-2020 for-profit cases

Fig 7. Brand building boosts short-term sales activation

Airbnb

The experience of Airbnb across the Covid lockdowns powerfully illustrates the benefit to short-term response of investment in brand-building. In the year before Covid, the company invested around 50% of its advertising budget in brand building, and as the lockdowns hit, they wisely decided to maintain most of their brand investment, whilst cutting all performance marketing, since very few people were travelling.

When the lockdowns ended, the company hesitated briefly before restarting its performance marketing, and was astonished by what nevertheless happened to its website traffic:

“Something remarkable happened. Even before we started resuming our marketing spend, our traffic levels came back to 95% of the traffic levels of 2019”

Source: Brian Cesky, Co-founder and CEO, from a CNBC interview

The company’s new learning was stated in their subsequent annual report:
“The strength of the Airbnb brand and our communications strategy allows us to be less reliant on performance marketing.”

The Tech Brand Myth

If all this is true, why are there tech brands that have built conspicuously successful businesses in recent decades with little or no brand-building advertising?

In fact, when it comes to brand building and technology start-ups, the pattern is now quite clear: With a unique technology and a good head start, tech businesses can achieve impressive growth and brand credentials for a significant time based purely on user experience and probably some performance marketing. But, ultimately, if they do not achieve a dominant position where they can effectively lock out competition, then they discover that they have to turn to brand-building advertising. This is exactly what Amazon, Uber and Airbnb have done. Even Facebook and Google have found themselves increasingly drawn into brand support advertising, especially when they entered into competitive markets with Facebook Live and Google Pixel.

Apple, on the other hand, has always recognised the importance of advertising to its brand. Its famous 1984 commercial laid the bedrock on which the brand was built and, later, the Think Different campaign heralded the renaissance of the company after Steve Jobs' return.

It is a myth that tech brands prove that long-term success can be achieved without brand-building advertising. Most of them have used it because, in the end, you can't gain a sustainable competitive advantage without it. In any case, how relevant are these types of brands to most sectors, really? How many brands are there, in non-tech sectors, that have genuinely unique, world-beating products that advertise themselves? The Gousto case study is much more typical of most modern start-ups – they found over time that their activation-led strategy could no longer drive long-term growth and that a shift to a more balanced mix of brand and activation restored it.

Gousto – breaking through the start-up growth inflection point

Gousto is one of the new breed of online D2C businesses, supplying menu ideas along with all required ingredients directly to the homes of its customers. Launched in the UK in 2012, Gousto was not the first meal delivery brand in the market. Nevertheless, in a new, rapidly expanding category, early growth for the brand was good, fuelled by novelty and heavy investment in performance marketing. But after this heady early period, by 2018 growth had faltered despite ever-growing performance marketing spend. The brand had hit the classic start-up growth inflection point where momentum falters as growing competition turns the sales battle increasingly into a fight for market share. With eleven competitors hungry for share, the team realised that they needed to change the bottom-of-funnel focussed strategy that had previously worked well. 2019 saw a radical shift to a balanced mix of brand building and sales activation; a whole-funnel strategy. Despite being outspent by the category leader almost 2:1 and with level share of voice, brand awareness soon doubled and new customer acquisition increased by 67%. Over a period of little more than a year, Gousto saw a spectacular nine points of market share growth, taking it to leadership position.

Source: Gousto 2020 IPA case study

Building Brands: Some Principles of Best Practice

If you've read this far, you will have started to see the extent to which brand-building advertising is vital to long-term success and immensely beneficial to your agility in driving short-term sales.

Obviously, there isn't a set route to building a brand, but there are some principles that can guide best practice. You can't cherry-pick these; they are all inter-linked and flow in and out of each other. Get it right and they will all work together to build your brand.

01

Build Mental Availability for Your Brand

'Mental availability' is more complex than simple brand awareness. Byron Sharp, Director of the Ehrenberg-Bass Institute, describes it as "a complex property that defines the propensity of the brand to be noticed and/or thought of in buying situations"[11].

It is a brand's command of the many associations that drive choice in the category and its distinctiveness within that category. What we know is that mental availability is a primary driver of long-term growth for brands. Recent research with an Australian effectiveness database[12] has shown that mental availability drives all critical business success metrics, including pricing power and profit growth.

Mental availability is inextricably linked to brand attributes and is strengthened by brand-building advertising. Activation messages may have some short-term impact on awareness, but achieve little beyond this. Brand-building advertising is the only route that can really deliver.

Of course, the amount of money invested in brand-building advertising also determines its ability to build mental availability – this is discussed later under the topic of reach.

Building mental availability is the key objective of brand building, and some of the following areas of best practice cover how best to increase that.

11 :How brands grow", Sharp B, OUP 2010
12 "To ESOV and beyond", Advertising Council Austrailia 2021, Brittain R & Field P

The Dance – Speight's

Speight's "The Dance" transformed one of New Zealand's most iconic beer brands and redefined modern mateship. One of Speight's most significant pieces of communications in two decades, it catapulted the brand back into cultural conversations and won back drinkers. Many beer ads revel in the lengths guys will go to for each other and a beer, to the detriment of everything else. The Dance took a new approach, celebrating the sacrifice mates make for each other for the greater good, with the tale of a man and his workmates preparing the perfect dance routine to impress his wife on their wedding day.

The real power of a brand's distinctive assets lie in the deeper, human, unchanging needs and the age-old values that are expressed in new ways for changing times. For stoic, emotionally reticent New Zealanders, men dancing with each other could have been a leap too far, however Speight's timeless values of celebrating good men and the lengths mates go for each other made it feel like a natural step.

By reinterpreting Speight's core belief of mateship for changing times, it gave the brand a meaningful role that celebrates the sensitive side of masculinity. This has driven category-leading growth, with Speight's coming from behind to outstrip the total category, boost new products and reverse sale declines. Four years on, Dance continues to be one of New Zealand's most loved campaigns.

Mental availability is inextricably linked to brand attributes and is strengthened by brand-building advertising. Activation messages may have some short-term impact on awareness, but achieve little beyond this. Brand-building advertising is the only route that can really deliver.

02

Aim for Distinctiveness

The most important route to achieving mental availability is to develop distinctive assets. This applies both to the physical presence of the brand as well as its advertising.

Distinctiveness – or standout – does not mean simply attempting to differentiate the product from the mainstream of the category. Byron Sharp sees that as misguided: "Much advertising trips over itself, trying to present persuasive differentiating messages. Consumers...are very happy to be reminded of things they already believe, especially if it is done in an entertaining way."[13]

IPA data from the UK supports the power of distinctiveness over mere differentiation. Campaigns with objectives that are associated with distinctiveness are around seven times as effective as those associated with differentiation.

13 Ibid

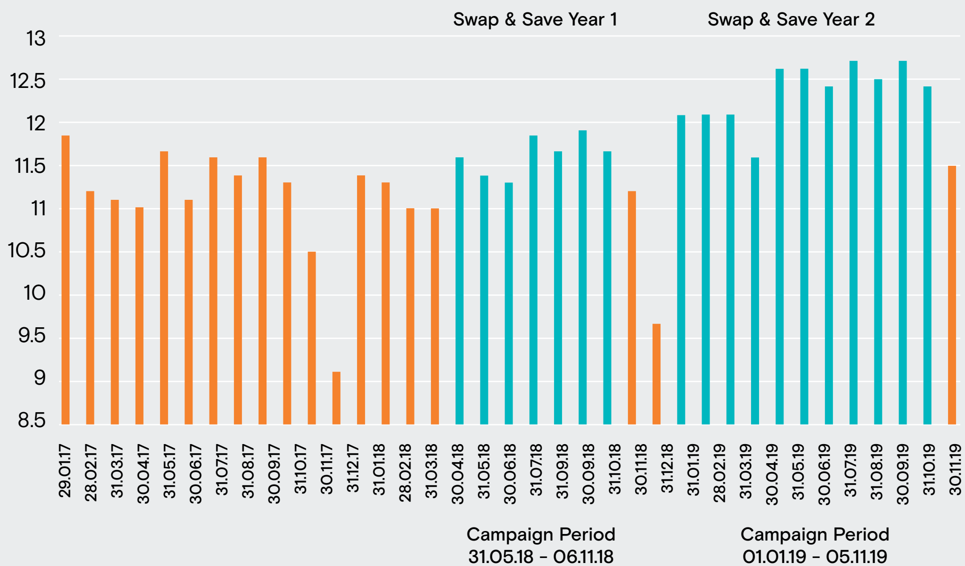
This goes a long way to explaining why many global marketers are turning away from the time-honoured 'product benefit' advertising strategy; it is very difficult to create anything distinctive based solely on product benefits when your competitors' products are, mostly, as good as yours. Forty years ago, a well-funded advertiser might have been able to drive home and own a product performance message, but times and products have changed. This model no longer works as it once did.

Constant churning of differentiation messages, with little thought for any distinctive sense of brand, inevitably conflicts with the requirements of long-term growth. The school of 'new news' advertising is now a corrosive influence and is a model founded simply on the imperative of short-term sales responses. Unfortunately, a great deal of the early thinking around how to use new digital media was also side-tracked by this 'persuasion' model and billions have been spent on advertising that creates no distinctive assets for brands. Ultimately, this is a misuse of these media and has undermined their potential contribution to long-term effectiveness.

The Difference Between Short and Long-Term Advertising Responses

Two IPA case studies neatly illustrate the very different kinds of sales response you get from a short-term 'persuasion' strategy versus a long-term brand-building one.

ALDI'S VALUE SHARE ROSE SIGNIFICANTLY OVER THE SWAP & SAVE CAMPAIGN PERIODS



Source: Aldi Ireland 2020 IPA case study

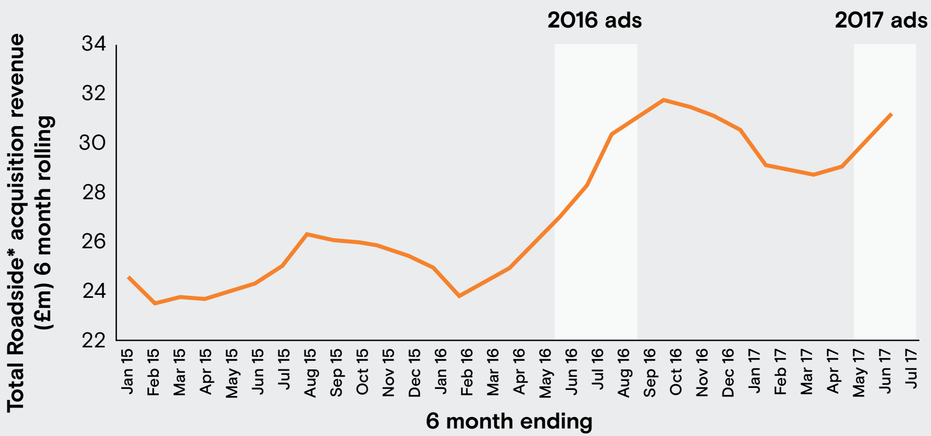
Aldi Ireland: the limitations of rational persuasion advertising

Although a previous emotional brand campaign had resulted in impressive long-term sales growth fuelled by strengthened quality perceptions, discount grocer Aldi was not satisfied with their penetration of 'value seeker' shoppers in Ireland. So a rational campaign was devised to illustrate the potential savings offered by the retailer and to nudge consumers to try the brand. Running over two bursts of six and eleven months duration, the 'Swap & Save' campaign showed the savings achieved by a number of real families that had switched their shopping to Aldi. In typical style, the rational ads resulted in impressive sales uplifts while the campaign was in market, but a rapid return to trend when the campaign finished.

The Automobile Association: the long-term power of emotions

In contrast, the AA chose a powerful emotional brand approach in its 2016 and 2017 campaigns to reverse falling UK sales and growing dependency on discounting. The 2017 TV commercial featured a cute singing baby whose trip to the airport was interrupted by a breakdown, soon rectified by an AA mechanic. The commercial captured the nation's heart resulting in strong improvements to brand metrics. Sales of key roadside recovery products grew strongly with reduced discounting. Most notable is the classic shape of the brand-driven sales response curve, with strong increases across advertised periods and only a small decline to six-monthly rolling sales after a nine-month period of no advertising.

ROADSIDE ACQUISITION REVENUE INCREASED



*Roadside, Roadside+1, Roadside+2, Roadside+3 Source: AA UK 2018 IPA case study

03

Engage Emotionally

Emotional advertising packs a punch. The UK IPA data shows that emotional campaigns are much more powerful at building brands than rational ones.

This is why emotional campaigns are so important in the modern world: they not only create more enduring memory structures (which enhances the ability to build mental availability), but are also a source of distinctiveness for brands (and therefore create the most potent distinctive assets for brands).

In addition, powerfully emotional campaigns deliver the Kahneman emotional priming effects: when you make consumers like a brand more, they tend to associate it more strongly with all the category virtues.

We have all seen how attempts to associate brands with product benefits using rational product advertising can be eclipsed by a simple appeal to the hearts of consumers.

If you add to this the social effects of a successful 'fame' campaign, then you get an even greater emotional impact.

'Fame' campaigns are those that get talked about online and offline. They have a particularly strong impact on mental availability because they don't just work in a one-dimensional sense (communicating mental associations from advertiser to consumer), but also generate social 'herd' effects. Consumers receive these brand associations from multiple sources, including their immediate social networks, and this generates powerful multiplier effects. Fame campaigns are, almost without exception, emotional in nature and associated with the strongest brand-building effects.

Snickers – the value of 'Fame'

Few case studies illustrate as powerfully as Snickers the value of a 'Fame' campaign. Since 2010 Snickers has used a highly engaging TV-led campaign built around the universal insight that when we are hungry, we find it difficult to think straight. Supported by social media video, OOH, cinema, print and radio, the 'You're not you when you're hungry' campaign has driven over 1000% profit return on the advertising investment. Importantly, the returns grew over time as the long-term effects of the campaign accumulated and the team learnt how to strengthen the fame effects of successive commercials.

Remarkably, the campaign also demonstrates that with the right insight, fame can work globally: annual sales value growth of around 10% was achieved across 92% of markets running the campaign. The latest commercials have continued the fame-driven growth story that has now doubled the brand's US market share. It is inconceivable that 10 years of short-term sales activation campaigns could achieve growth on this scale.

Not surprisingly, emotional campaigns dramatically outperform rational campaigns in terms of how hard they work – annual growth per unit of investment. And fame campaigns outperform by an even greater margin: they typically drive over ten times more market share growth p.a. for every extra unit of share of voice, than rational campaigns.

EMOTIONS AND FAME DRIVE LONG-TERM GROWTH

Fig 8 Emotions and Fame drive long-term growth most efficiently

Source: IPA Databank, 1998-2020 cases

Looked at in this way, it really is a no-brainer to pursue the emotional route and, if possible, fame. Emotional campaigns are also associated with other business benefits, such as greater impacts on pricing power and, as a result, margin. However, there are two issues that might deter marketers. The first is that emotional advertising does not deliver the most powerful short-term sales effects.

RATIONAL CAMPAIGNS DRIVE STRONGER SHORT-TERM ACTIVATION EFFECTS

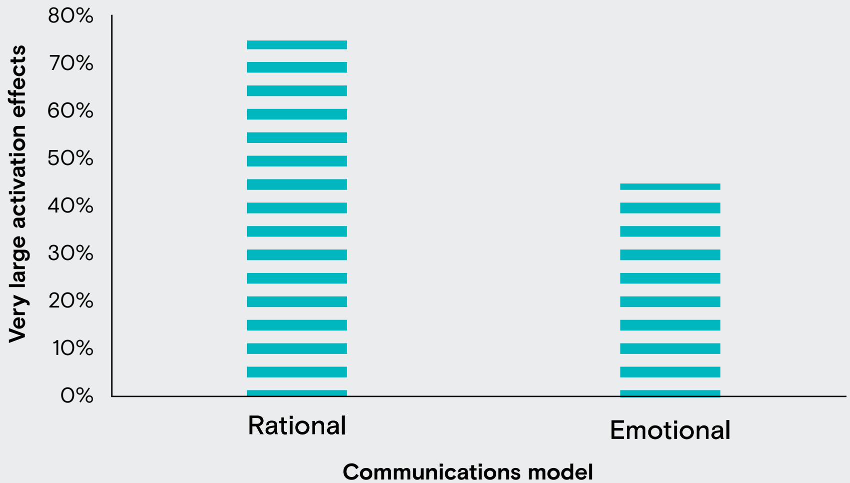


Fig 9 Rational advertising delivers stronger short-term activation effects

Source: IPA Databank 2000-2020 cases

Measured by the likelihood of reporting very large short-term activation effects (a basket of immediate behavioural response metrics), short-term rational campaigns out-perform emotional ones by almost three quarters.

It is important to manage expectations when shifting from sales activation to emotional brand building – for the first six months or so there may be little to show for it. As investment is redirected from activation to brand, it's possible that sales will dip for a time until the priming effect starts to build, but thereafter the benefits will become clear.

The second issue is that emotional advertising is more difficult to get right. Successful emotional advertising is not simply a case of showing target consumers in emotional situations. Instead, it has to provoke an emotional response in the audience: they have to be drawn in to the story and feel empathy with it. A recent study[14] confirms that the more intense the emotional response, the more powerful the long-term effectiveness. Worryingly, that same study also reveals a general trend away from powerfully emotive advertising in favour of more direct and didactic styles championed by performance marketing guidelines. Inevitably, the report shows that the impact of this on long-term effectiveness is damaging.

Skilful and powerful story telling brings huge commercial advantage and is well worth the investment. This could take many forms; there are new commercial models evolving in branded content that seek to create opportunities in story telling while avoiding the time constraints of conventional advertising, both online and offline.

---

14 System 1 used their 5-star emotional testing technique to assess the emotional impact of 264 US & UK video campaigns for brands with a combined revenue of US$ 500bn. Taking relative budget into account (ESOV) the test scores predicted share growth with remarkable accuracy. The correlation was significant at the 99% level. Published in "Look out" pp22-4, IPA Oct 2021, Wood O

Javier Sanchez Lamelas, former VP marketing,
Coca Cola Europe, The Guardian

JUNE 1 2015

“Today, if people choose not to engage with your marketing output, your money is wasted.”

Toyota Hilux – The Unbreakable Bond

In 2019 Toyota set about staging a dramatic turnaround for its most iconic brand. Hilux. With the category experiencing significant growth with more brands fighting for market share the brand turned what would have been an off-the-shelf facelift launch into a definitive line in the sand, a block-buster brand moment, and a place in New Zealand culture.

Over the last 10 years the Ute category had seen significant change, with the category accelerating to the point where the Ute had become the second largest class over the SUV.

Despite the category doubling in volume, market share had been slipping away from Hilux and by 2019 it found itself at #3 behind Ranger and Triton, indicating a major sales deficit in years to come.
A new Hilux was due to be launched to market, but as a power-up vehicle it was not the new news that Hilux needed.

So Toyota made a play to go all in on marketing. To turn what would have conventionally been a small facelift announcement into a major brand play, with an objective of reversing share decline, reclaiming lost ground and reclaiming #2 position.
The strategy was to reframe the product DNA of “Unbreakable” as a story of Hilux drivers, and of timeless kiwi values which resulted in the creative execution of The Unbreakable Bond.

Establishing a new user image Hilux could play to a relationship no other Ute could; a cultural connection and celebration of shared New Zealandness and down-to-earth attitude mixed with values of dependability and trust.

With a multi layered approach the campaign encouraged engagement from existing Hilux drivers as the heroes, but created a conversation that all Kiwis could be part of.

Brand metrics responded outstandingly and a 27%-point lift in consideration, made Hilux the #1 considered ute brand.
Market share hit 25.4%. The largest share position since 2012 with 102% sales increase since 2019.

04

Get Creative

It's much less likely that you will build mental availability or emotional engagement without creativity, but it's worth examining it separately here because a number of robust studies published in recent years[15] provide compelling evidence that more creative advertising works harder. Creativity isn't only about winning creative awards, although this is the ultimate yardstick of creative success. It is about originality – finding fresh solutions to a strategic problem.

The most recent UK IPA report found that over the 20 years to 2018, creatively awarded campaigns delivered almost 8 times as much market share growth per unit of investment than non-awarded campaigns. Different studies have used different measures of creativity (some more exacting than others) and have therefore measured different levels of reward, but the overall conclusion is clear:

Creativity sells and the more creative you are, the more it sells.

15 "The link between creativity and effectiveness", IOPA 2011. "Selling creativity short", IPA 2016. "Creativity matters", Cannes Lions 2017, :The Crisis in Creative Effectiveness", IPA 2019. Field P. "The Effectiveness Code" Cannes Lions & WARC 2020, Hurman J & Field P, "Creativity in Advertising: When it Works and When it Doesn't", Reinartz W and Saffert P, HBR June 2013. "Creativity's bottom line: How winning companies turn creativity into business value and growth" McKinsey & Co 2017

Keith Weed, former CMO,,
Unilever, CNBC

6 MAY 2016

“The biggest thing that drives engagement is the quality of the creative.”

The IPA data also illustrates how the efficiency of a campaign rises in line with the level of creativity. Modestly creatively awarded campaigns were almost 7 times more efficient than non-awarded ones, whereas highly creatively awarded (4 or more awards) campaigns were almost 11 times more efficient.

Creativity works because it amplifies many of the levers of success discussed previously. Creatively awarded campaigns win those awards because, in the eyes of expert judges, they are highly original. Our System 1 brain (our feelings-driven decision-making) is always on the alert for the unusual, so creative advertising is more likely to get noticed and generate a System 1 response. The IPA data also shows that creative advertising is much more likely to generate a 'fame' response; people are more enthusiastic about discussing and sharing creative advertising, so it brings the many benefits of fame into play. This all adds up to a turbo-charging effect on mental availability and, if the creative ads are also emotional in nature (which they usually are), then powerful and durable memory structures are likely to be formed.

Finally, is all creativity good creativity?

No. There has been a recent trend towards short-term or 'disposable' creativity. These are often brief, one-off, online events with short-term sales objectives and limited budgets, that simply do not last long enough to embed behavioural change. They tend to result only in short-term effects (and mediocre ones at that). This approach almost entirely eliminates the benefits of creativity, which need time to emerge and deliver those powerful long-term effects. Analysis of the Cannes Creative Effectiveness, WARC and IPA databases[16] shows a strong relationship between effectiveness and the *creative commitment* behind campaigns, especially for creatively awarded ones. Creative commitment is the product of budget, campaign duration and breadth of media used, and all three matter.

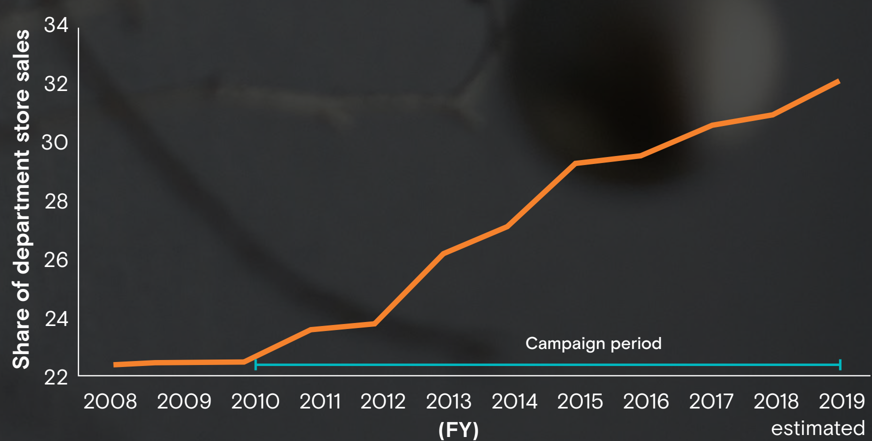
16 "The Effectiveness Code", Cannes Lions & WARC 2020, Hurman J and Field P

John Lewis – Creativity in Action

The campaign for UK department store John Lewis illustrates the power of creativity more clearly than any other. The pre-Christmas campaign has been running since 2009 and is now the most highly creatively awarded campaign of the digital era amongst the IPA case studies. Born out of the economic uncertainty of the Global Financial Crisis and with commentators writing off department stores as a dying breed in the digital world, the campaign has successfully used highly emotional and highly creative advertising to make John Lewis the home of thoughtful gifting in the run-up to successive Christmases. The campaign has become a perennial pre-Christmas talking point amongst the public and is shared widely.

So powerful and memorable is the advertising, that although only in market for two months each year it drives growth over the rest of the year too. Online sales mirror offline growth: no one in the UK is writing John Lewis off now.

JOHN LEWIS MARKET SHARE



Source: John Lewis 2020 IPA case study

05
Be Consistent

Long-running consistent campaigns have always been highly prized in marketing and rightly so – they can become the most distinctive asset a brand possesses. But without sufficient innovation around the campaign theme, they can wear out as the emotional response they once generated is replaced by familiarity and indifference.

Best practice would seem to be creating campaigns with consistent devices running through them, that are strongly branded and anchor the campaign to a consistent *idea,* but are flexible enough to permit significant innovation over time and across media channels. These are sometimes referred to as 'fluent devices'. They could be characters such as the *M&M* characters or PAK'nSAVE *Stickman* that are used as vehicles for the drama, or organising ideas like Snickers *'You're not you when you're hungry'* or MasterCard's *'Priceless'.* They are more than just branding devices such as a logo, an end-line or a jingle: these do not constitute fluent devices because they are not usually an inherent part of the drama that builds the brand.

PAK'nSAVE

Retailer PAK'nSave illustrates the power of strong emotional brand building, even for a business that is based on a no-frills, lowest price position. In 2007 PAK'nSAVE's positioning was under threat from a larger competitor who introduced large-spend price fighting promotions. Rather than trying to compete on purely rational price messaging, PAK'nSAVE started building an emotional connection with New Zealanders with the introduction of the Stickman campaign.

Despite being outspent and having fewer locations (57 stores versus our competitor's 180), PAK'nSAVE's long-term consistency of creative strategy and campaign execution (commencing in 2007 and still alive and thriving in 2021) ensured that it retained its rightful position as New Zealand's lowest priced supermarket (peaking at 79% agreeing in 2019[1]), retained its market share, and in fact grew market share by 1.4%[2] in the period between 2010 and 2019. All achieved without increasing advertising spend. PAK'nSAVE's adherence to building brand over the long-term has resulted in sustained business results but created a campaign that regularly features in the Top 10[3] of New Zealand's favourite ads and remains current and relevant.

---

1 Foodstuffs Big Picture Tracker, 2013-2019
2 Nielsen Scan Data
3 Colmar Brunton Top Ten

A recent study[17] has revealed the commercial value of this kind of fluent device consistency. Campaigns that incorporated fluent devices over the long term were about 30% more likely to achieve very large market share and profit growth, despite lower relative budgets than campaigns without fluent devices, also implying that they were significantly more efficient. This is to be expected, because of their greater impact on distinctiveness and mental availability.

There is a current perception in marketing that wear-out happens faster now than it once did, although there is no authoritative evidence to support this. But it has led to a pronounced trend away from the use of fluent devices, as recorded in the IPA data. This is unlikely to be a positive trend and is consistent with the more general destructive trend towards short-termism.

Being consistent, but incorporating innovation over time, remains a key component of brand building, delivering the mental availability and distinctiveness every brand needs to prosper.

17 See “Lemon”, IPA 2019, Wood O

Bruce Springsteen,
quoted in "The three C's of customer satisfaction",
McKinsey & Co

MARCH 2014

"Sustaining an audience is hard, it demands a consistency of thought, of purpose, and of action over a long period of time."

DB Export – A continued commitment to creativity

Achieving creative excellence once is hard enough. Maintaining it for over a decade is near impossible. But that's what DB Export has done. A commitment to creativity has taken a beer brand on the brink of being discontinued, to one of the largest in NZ.

Export has been a mainstream beer staple since 1958. But by 2009 its flagship beer, Export Gold, was at risk of being discontinued. Like a lot of beer advertising at the time, originality and fresh thinking had given way to cliches and stereotypes. It was all style, no substance. So DB Export went back to its roots. The brand embraced the innovative and pioneering spirit of DB's founder, Morton Coutts, and what followed has been a decade (and counting) of New Zealand's most creative and effective advertising.

In 2011, Export created a three minute film telling New Zealand of its founder, Morton Coutts, taking on the Government's 'Black Budget'. Two years later, Export repositioned its premium offering as the saviour for beer drinkers battling the rise, and taste, of wine during the 1980s.

In 2015, Export found the perfect marriage of innovation and creativity with Brewtroleum - a biofuel made from leftover brewing yeast. Brewtroleum cut carbon emissions by 8%, meaning every time New Zealanders drank Export they were helping save the world.

Another creative innovation followed quickly after - Beer Bottle Sand. Custom-built, fully-functioning machines that instantly crushed empty beer bottles back into sand, helping reduce New Zealand dependence on beach dredging and beach-derived sand.

And in 2019, to launch a new product into the hyper competitive low carb beer category, DB Export embraced the power of creativity once again. Playing on the idea that drinking low carb beer could be a selfless gesture of love, DB launched their new beer with a three-and-a-half minute love song and accompanying music video. It went on to become the most successful NPD launch of the entire year and the most effective advertising campaign in the world the year after.

Export, a brand that always prided itself on innovative brewing, now prides itself on innovative and creative brand building too.

06

Go for 'Reach'

The main way in which brands grow is by selling to more people[18]: so the main way in which marketing communications drive growth is by increasing penetration, and the biggest gains come from customer acquisition.

Brand loyalty is less important and is, to a large extent, a side effect of penetration. Brands with high penetration tend to have better loyalty rates, as observed by metrics like share of category requirement and customer retention. The UK IPA data confirms this; communications (usually sales activation messages) that target existing customers with the aim of improving loyalty or retention tend to have less effect and any effect is short-term.

The most effective campaigns, on the other hand, talk to everyone in the market. They talk to customers and non-customers on a regular basis; they increase penetration and thereby increase loyalty slightly. Most of these people have encountered the brand before at some point, so the aim is usually just to remind them about it, and to ensure that it has higher 'mental availability' than its rivals. Mental availability is a competitive metric; as one brand's rises, others' will fall. That means marketing really is a numbers game; the most successful brands tend to be those that have the most customers, and they tend to be the brands that talk to the most people in the market, most often.

For this reason, Share Of Voice (share of category advertising expenditure across all channels) remains a vital driver of growth. SOV keeps a brand mentally available. The

18 See "How brands grow", Sharp B, OUP 2010

IPA data shows that if you allow your SOV to fall below your market share, then your market share will fall because your mental availability has reduced. And a recent study[19] of Australian Effectiveness data shows that SOV also drives a raft of other desirable business metrics such as pricing power, new customer acquisition and profitability.

These truths have not deterred a whole industry springing up to offer marketers routes to avoid the expense of customer acquisition and to instead pursue greater customer loyalty and the creation of 'unbreakable bonds' with them. The evidence suggests that what they are offering is unachievable.

Advocates of data-led tight targeting have come up with an answer to this. They argue for mass personalisation of communications, developing matrices that determine which message to target at which type of consumer and in which circumstance, all driven by the customer's data trail. You reach a wide audience, and you deliver messages that are more relevant to them personally. This is, intellectually, a very seductive idea, but there are some practical problems.

Tight targeting inevitably reduces reach – you are only talking to people who are in the market for your product. The metrics that will evaluate targeting will not reward attempts to reach out to future and infrequent buyers – yet these are the very customers who will drive long-term growth.

The relevant messages served at this late stage in the buying process (because you are chasing their 'intend to buy' data trail) tend to be activation messages, so do little for long-term sales.

Finally, it is almost impossible to maintain any consistent sense of a brand with so many varied messages. As customers migrate through the targeting matrix over time, they won't carry with them any consistent brand associations because they will have been served a dog's breakfast of different messages over the years. And this lack of any common set of associations will undermine the shared beliefs between customers that reinforce the power of the brand.

This is no way to build a brand.

Broad reach remains a fundamental requirement of long-term success. It will guide the kind of advertising you develop and, particularly, it will guide the media you choose.

19 See "To ESOV and Beyond", Advertising Council Australia, 2021, Brittain R & Field P

Prof Byron Sharp,
Ehrenberg-Bass Institute, From 'How Brands Grow'

"The double jeopardy law tells us, over and over again, that market share increases depend on substantially growing the size of your customer base."

07

Balance Brand and Activation

You will appreciate by now that brand building is a very different task to sales activation in almost all respects: it requires different kinds of strategies, targeted at different consumers at different times – so it's not surprising that it also requires the use of different media.

This chart isn't exhaustive, but summarises the main reasons why you might select media for either brand building or sales activation:

USE THE RIGHT MEDIA FOR THE RIGHT JOBS

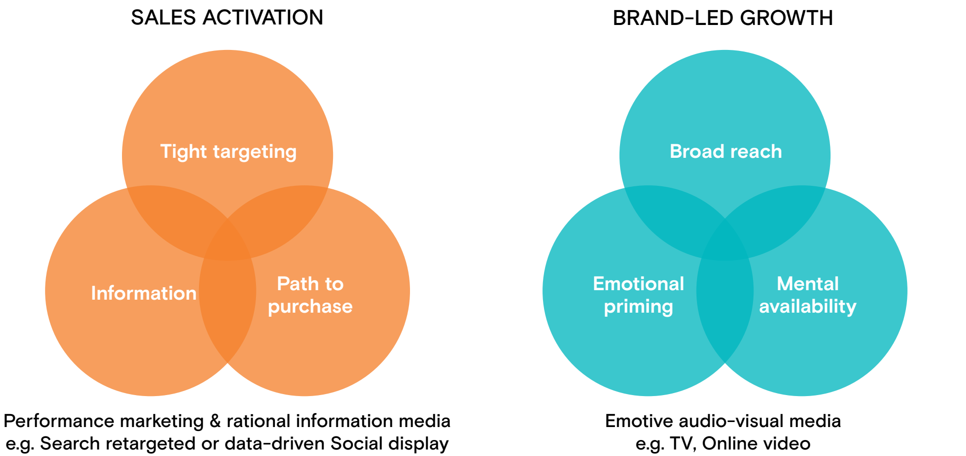


Fig 10. Media selection is different for Sales Activation and Brand-led growth

Sales activation requires tightly targetable media that can deliver the message in a timely manner as close as possible to the moment of purchase decision, or at other critical steps in the path to purchase.

There is little or no requirement for emotional engagement, so rational information media work best here. Performance marketing has transformed traditional direct marketing in this application, though many advertisers still find traditional DM tools highly effective, such as direct mail or DRTV.

Brand building involves conditioning consumers through repeated exposure: talking to people long before they come to buy. It requires broad reach media, because the aim is to prime everyone in the market, regardless of whether they are shopping right now. Because most of the audience is not in the market at the time they are exposed, it cannot assume close attention. It therefore relies on emotional priming, as this cuts through regardless of whether people are interested in the product or not, and creates long-term memory structures. For this, you need broad reach media with the potential to pack an emotional punch – video media excel here, as they are the best at creating enduring mental availability.

In many markets, TV remains the pre-eminent medium, especially if supported with online video. But be careful – many marketers assume that online video is at least as effective as TV because it enjoys a similar potential for reach these days.

But this ignores the viewability dimension; in practice, people are much less likely to view your commercial full-screen or full-duration when served via Facebook or YouTube. Viewability really matters to brand building – you are unlikely to be making much impact on mental availability if consumers see only the first three seconds of your ad and half of it is off-screen. This seriously undermines the sales impact of online video compared with TV. In three separate studies[20], TV was found to be around 2.5 times as effective. Further research[21] by Dr Karen Nelson-Field reveals that identical video commercials typically achieve three times longer viewing on the best video platform than the worst. She uses compelling research evidence to argue for new attention metrics so that advertisers can take account of the highly variable long-term impacts of advertising across platforms. So for the moment, online video is not a complete substitute for TV when it comes to driving scalable growth.

Video media do not have a monopoly on brand building, however. Many advertisers find other established media highly effective, such as OOH, press and radio. Indeed, the UK IPA data suggests that, in common with TV, these established media are getting more effective than they used to be.

The general finding is that media channels tend to be best at either brand building or sales activation, but not both. The casting of media against task is very important. A balanced campaign, combining brand building and sales activation in the ratio 60:40, is likely to use several media channels, online and offline. It has been a strong finding of the UK IPA data for many years now that multi-channel campaigns are significantly more effective than those that put all their budget into one channel (whether online or offline). Indeed, best practice is to combine new and established channels.

"In today's multi-channel, multi-modal world, it remains the case that the ubiquity and accessibility of television means that it delivers a level of reach and individual engagement that other channels struggle to match."

Martin Deboo, Equity Analyst,
Jefferies, "Why The Model Is Not Broken" May 2018

20 'Media in focus', Binet L & Field P, IPA 2017. 'Visibility - the attribute that really matters', Nelson-Field K, ThinkTV Australia. 'Profit Ability', Ebiquity & Gain Theory, Thinkbox 2018.
21 See 'To ESOV and Beyond', Advertising Council Australia 2021, chapter 'Attention adjusted™ share of voice' Nelson-Field K

Marc Pritchard,
CMO P&G, Wall Street Journal,

AUG. 17, 2016

“We targeted too much, and we went too narrow... now we’re looking at: what is the best way to get the most reach?”

The Way Forward

**Campaigns like the multi-Effie award-winning PAK'nSave example should give us hope and direction for the future. If we stick to investing in brand strengthening for the long term, balancing this with short-term sales activation and employ the principles outlined in this guide, we can expect to succeed.
We will have to push back against many of the questionable fashionable mantras that might derail us, but the benefits of doing so are real, measurable and, quite possibly, life-saving.**

Follow the Seven Rules for Effectiveness

01

Focus on building mental availability for your brand

This will require investment in brand-building advertising that primes consumers to want to choose it in advance of purchase.

02

Use advertising to create distinctive assets for your brand

This will help you build mental availability.

03

Get emotional

Emotional advertising primes behaviour more powerfully and over longer periods of time.

04 Get creative

Original advertising is more distinctive and more likely to get talked about: both boost mental availability.

05 Be consistent, but allow for innovation around a consistent theme.

Develop fluent devices that will help you achieve this.

06 Reach wide with advertising

Do not be seduced by the idea that it is wasteful to talk to people who are not about to buy. It is vital to do so.

07 Balance brand building and sales activation spend approximately 60:40.

Choose the media best suited to each role.

Brands need building

Need help building your brand? Talk to your agency or contact the Comms Council at office@commscouncil.nz

Commercial
Communications
Council