The link between creativity and effectiveness

The growing imperative to embrace creativity
More findings from The Gunn Report and the IPA Databank
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Foreword

The Gunn Report is based on a simple enough idea. We combine the winners’ lists from the top advertising awards contests in the world in order to establish the annual worldwide league tables for the advertising industry. In 2010, that was the world’s top 46 shows – film, print, digital and “all guns blazing” – national, regional and global.

Now, tallying up award show wins for a living may seem a somewhat frivolous endeavour. But we like to think it has a serious underpinning; because we fundamentally believe in the power of creativity to produce sales for the immediate present at one and the same time as it builds reputation for the long haul.

At Leo Burnett, back in the nineties, I was the impetuous volunteer who conceived of, then carried out the “Do Award Winning Commercials Sell?” study. This consisted of identifying the 400 most awarded commercials and campaigns in the world from 1992-1995; then painstakingly gathering in the 400 case histories. The result was pretty compelling: 86.5% of them had been associated with market place success. But 1992-1995 is a long time ago. The IPA Effectiveness Awards – now in their 31st anniversary year – are without a shadow of a doubt la crème de la crème in their field. They are hugely trusted and respected. No other country in the world has anything to match them for the quality of information and evidence they so rigorously require.

That’s why for The Gunn Report the opportunity in 2010 to merge our awards data with the IPA effectiveness data – on a current and ongoing basis – was like a dream come true. Especially as the IPA Effectiveness Awards are now open to case studies from around the world.

Since the first edition of the IPA/Gunn study came out, I’ve had the occasion to discuss it in many places around the world. Good advertising people everywhere are overjoyed. It gives them sustenance for the battle. It empowers them to push for braver work.

And now the second edition has more or less doubled the time span and the size of the dataset: thereby enriching the learning and enhancing our study’s authoritative endorsement of the power of creativity.

Donald Gunn
Founder and Chairman, The Gunn Report
Introduction

The first edition of this report, published in 2010, reported the results of fusing the Gunn Report database of creatively-awarded campaigns with the IPA Databank of effectiveness data, and has gathered a fair amount of interest from around the world. With this interest has come a number of questions seeking to extract deeper findings from the study – none of which were answerable with the limited initial dataset of campaigns from 2000-2008.

In an effort to answer some of these, the dataset has been extended both forwards (to newly available 2010 case studies) and backwards (to 1996 case studies) using creative awards data compiled by Donald Gunn before he started The Gunn Report in 1999. We now have an expanded dataset of 435 case studies in total, which permits us to look at more detailed levels of cause and effect with greater certainty, as well as, for the first time, to examine whether there is a time trend to the link between creativity and effectiveness.

As before, The Gunn Report compiles the winners from the most important and respected creative awards competitions around the world: some global, some regional and some national. Awards from the plethora of lesser creative competitions are not included. The awards cover TV, cinema, print, online and integrated multi-channel campaigns. Gunn Report scores therefore reflect the performance of a campaign across these competitions and channels; in this analysis the total scores have been used, as the volume of data still does not allow us to reliably examine the contributions of creativity in individual channels.

Although the Gunn Report measures of creative award wins are by no means dominated by TV awards, it has always been the case (and remains so in the online era) that the IPA Effectiveness Awards are dominated by campaigns with major TV elements.

Inevitably therefore, TV constitutes the largest element of Gunn Report scores used in this analysis of the two fused datasets, with 77% (falling to 73% for 2004 and later); the remaining points are spread across print and online. Within this, internet creative awards are taking a rapidly growing proportion amounting to 8% over the 2008-2010 period. The total number of Gunn Report qualifying creative awards won by all IPA case studies over the 16-year period is 821.

The IPA Databank compiles hard effectiveness data on all entrants to the annual IPA Effectiveness Awards competition: the 435 campaigns over the 1996-2010 awards...
competitions that are contemporaneous with the creativity data we have available. Typically case studies report on campaigns running over the two previous years, so the vast majority of the campaigns evaluated here ran between 1994 and 2010 – though there are a few campaigns that started before 1994 and for which we therefore have only partial creative awards data.

The IPA data reports the nature and circumstances of each campaign and its effects in comparable format and allows us to rate campaigns on a number of effectiveness dimensions. The fusion of the two databases, therefore, allows us to compare levels of creativity with levels of effectiveness to a unique extent. It is important to appreciate that the analysis actually compares the level of effectiveness of creatively-awarded strategically sound campaigns with non-creative but strategically sound campaigns (demonstrating strategic rigour is a major part of an IPA case study author’s requirement). It does not examine whether all creatively-awarded campaigns are effective.

Indeed, in Donald Gunn’s landmark 1996 study (“Do Award Winning Commercials Sell?”), he found that around 14% of creatively-awarded campaigns failed to show any commercial success, usually because the strategy was wrong. If one looked for the levels of commercial success and its proof that are expected of IPA case studies, then the proportion of all creatively-awarded campaigns that are unable to demonstrate success is likely to be greater than 14%. It is unlikely that a highly creative execution will turn a misguided strategy into a commercial success and so the findings of this study should be viewed in that context. Nevertheless the first edition of this report suggested quite strongly that creatively-awarded campaigns are inherently significantly more effective than non-awarded ones and so by extension even misguided strategies are likely to benefit from creativity to some degree.
Management summary

This report draws on analysis of the results of fusing the Gunn Report database of creatively-awarded campaigns with the IPA Databank to examine the link between creativity and effectiveness. The analysis compares the scale of hard business effects achieved by the creatively-awarded campaigns in the IPA Databank with the non-awarded campaigns.

Although the two groups of campaigns being compared are matched in most respects, in one important respect they are not: the non-awarded campaigns received much greater relative levels of media support. This tends to mask the headline effects of creativity on effectiveness, but has been allowed for in the analysis to reveal the true underlying effect.

The analysis demonstrates a very strong link between creativity and effectiveness:

- Creatively-awarded IPA campaigns are more effective than non-awarded ones despite lower levels of Extra Share of Voice or ESOV (share of voice minus share of market).
- There is a very strong link between creativity and effectiveness when ESOV levels are taken into account.
- Over the entire 16 years of campaigns examined in this study, creatively-awarded campaigns were 7 times more efficient than non-awarded ones in terms of the level of market share growth they drive per point of ESOV.
- However this headline finding hides a pronounced time trend: creatively-awarded campaigns are becoming more efficient over time, whilst non-awarded ones are becoming less so. Over the second half of the period creatively-awarded campaigns were 12 times as efficient as non-awarded ones compared to only 3 times as efficient during the first half.
- The efficiency gap between creatively-awarded and non-awarded campaigns appears to widen in the FMCG sector compared to other sectors, suggesting creativity is more valuable for packaged goods brands.
- If the creatively-awarded campaigns in the IPA Databank had enjoyed the same level of ESOV as the non-awarded campaigns, they would have resulted in two times more market share growth than the non-awarded
**campaigns achieved.** The difference in terms of return on marketing investment is likely to be much greater than this.

- Creatively-awarded campaigns appear to achieve their greater effectiveness levels with greater certainty than the non-awarded campaigns: they are **more reliable investments**.

- For equivalent levels of investment, creatively-awarded campaigns achieve broader levels of success across greater numbers of business metrics beyond share growth. Their impact appears to be strong on both volume and value (their price elasticity effects are especially commercially valuable).

- **The greater the level of creativity (i.e. the more major creative awards a campaign wins) the greater the level of effectiveness.**

- The link between creativity and effectiveness appears to be driven to a significant degree by **two important factors:**
  
  1. The preponderance of emotional communications models amongst creatively-awarded campaigns (emotional campaigns have been shown elsewhere to be strongly linked to effectiveness).
  2. The much greater buzz effects of creatively-awarded campaigns (buzz has also been shown elsewhere to be strongly linked with effectiveness). It is an innate quality of highly creative advertising.

- The latter appears to provide an explanation for why creatively-awarded campaigns are becoming more effective: in the multi-channel world, **creativity is becoming more closely associated with buzz, leaving non-awarded campaigns struggling to exploit buzz.**
The expanded sample of campaigns

The expanded sample of campaigns used for this second report was the 435 IPA case studies from 1996 to 2010 for which we have either official Gunn Report creativity scores or the precursor data for 1996-1998. It is important to note that the 1996-1998 precursor scores do not reliably capture non-TV creative awards. Whilst every attempt has been made to ensure that early non-TV awarded campaigns have been identified, and it is unlikely that more than a tiny number of campaigns might have been missed, we cannot be as certain of this as for later campaigns. However, the sample of campaigns picking up non-TV creative awards remains too small for any conclusions about the benefits of creativity by channel to be drawn in this edition.

The proportion of IPA campaigns that picked up at least one major creative award (a Gunn Report score of at least 1) has remained more or less constant at 17% as the dataset has expanded. As before, this percentage is hugely in excess of the proportion that might be expected by chance if there was no link between creativity and effectiveness (less than 1%), which suggests that there is a link between the two. However, for greater certainty this study will examine the link at two levels. Firstly whether the 17% of case studies that were creatively-awarded out-performed the 83% that were not in *hard business* terms; secondly whether there is a link between greater levels of creativity (multiply-awarded campaigns) and greater levels of effectiveness.

The majority of this report is concerned with the 367 for-profit case studies of which 18% were creatively-awarded. Some tentative conclusions are drawn concerning the limited sample of 68 not-for-profit case studies of which 15% were creatively-awarded. The for-profit and not-for-profit sample sizes upon which this analysis is based are detailed in Table 1.

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<tr>
<td>Creatively-awarded</td>
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<td>For-profit</td>
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<td>Not-for-profit</td>
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It should be borne in mind that the sample sizes for the efficiency analysis of for-profit campaigns are around half the above (154 of which 29 were creatively-awarded) due to the limited availability of the detailed level of data required.
Part 1: For-profit campaigns

Key metrics and terminology

As in the previous edition of this report, the key metrics that have been used in the analysis of for-profit campaigns are:

1. **The Effectiveness Success Rate (ESR)** This metric was developed and validated in *Marketing in the Era of Accountability (MEA)* – it measures the proportion of campaigns that generated any ‘very large’ (i.e. ‘top box’) scores across a wide range of business metrics from penetration to share and profit growth. The metric is used because it is able to identify high performers across the widely divergent objectives and challenges facing the diverse brands in the IPA Databank. No single business metric can reliably do this.

2. **Efficiency** This metric was widely used in *MEA* – it measures the market share growth (in percentage points) achieved per 10 percentage points of Extra Share of Voice (ESOV). Many studies have established that there is a strong relationship between share growth and ESOV, so any divergence from this relationship is a good measure of the potency of the campaign that is independent of the weight of expenditure put behind it. That is to say it measures the efficiency with which results were achieved and can thus provide a level playing field on which to compare campaigns with very different expenditure levels.

3. **Creativity** For the many who have asked how you measure creativity, the Gunn Report score hopefully provides an objective answer. It represents the collective wisdom of the many creative judges (themselves leaders of the creative community within agencies and drawn from online and offline practitioners) that judged the world’s top 46 creative competitions. A score of 1 represents one award at one of these competitions. Higher scores are taken as a measure of higher levels of creativity.

In order to simplify descriptions and reduce unnecessary word-count, creatively-awarded campaigns are generally referred to as ‘awarded’, whilst creatively non-awarded campaigns are referred to as ‘non-awarded’. There are no other kinds of awards being referred to in this report that might cause confusion.
Comparison of the creatively-awarded and non-awarded samples of campaigns.

With a modest sample size of 65 awarded campaigns, it is important to examine how well-matched it is to the sample of non-awarded campaigns, in terms of the many circumstantial factors that can influence the effectiveness of campaigns (such as brand size, sector, category growth and so on). With this expanded sample, the match in some respects was not as close as before.

The most important mismatch remains the level of relative media expenditure (measured as ‘extra share of voice’ – ESOV – i.e. share of voice minus share of market) – Figure 1.

Compared to the first report this ESOV disadvantage has narrowed slightly from 9.3 percentage points to 8.5 points disadvantage for the awarded campaigns. Nevertheless, this still represents a very considerable disadvantage for the creatively-awarded campaigns. Figure 2 shows the precise relationship between ESOV and Share of Market (SOM) growth for the population of campaigns used in this study: just under 1.3 points of market share growth per annum per 10 points of ESOV. It is a very strong relationship statistically speaking with a greater than 99% confidence level.
Referring to Figure 2 one can gauge the likely overall effect of this 8 point ESOV advantage of non-awarded campaigns: around 1 point of market share growth per annum and with knock-on effects across the spectrum of metrics being examined in this study. This is a very significant effectiveness advantage that must be taken account of in the analysis of relative levels of effect. For this reason the analysis will lead off with a comparison of efficiency levels that inherently eliminates the ESOV effect. And wherever possible in this analysis an attempt will be made to account for ESOV levels and reveal the true pattern of effectiveness lying behind them. For example, by examining the Effectiveness Success Rates of awarded and non-awarded campaigns within ESOV bands it is possible to largely eliminate the advantage of the higher ESOV levels of the latter.

As in the previous report, there were mismatches in the sector profile of the awarded and non-awarded samples. These have widened in this latest analysis to the point where we cannot entirely discount them. In particular, the proportion of FMCG (fast-moving consumer goods) cases is significantly higher amongst non-awarded cases than awarded ones (48% versus 38%). As this is the least responsive sector to marcomms expenditure, this would have given awarded campaigns an advantage in terms of likely effectiveness. This advantage would have been largely offset by the greater proportion of Services – the most responsive sector – amongst the non-awarded campaigns (37% versus 31%). However, most of the balance was accounted for by Durables (11% versus 28%), which would again have given the creatively-awarded campaigns an advantage. The net result of these imbalances is unlikely to be great, but to test this assertion an analysis of FMCG campaigns (the largest sector) versus non-FMCG ones is included later in this report.
As in the last edition of this report, the awarded campaigns made slightly greater use of different communications channels (using the definition of 'channel' in Marketing in the Era of Accountability) than non-awarded campaigns: 6.2 versus 5.1. This would have given creatively-awarded campaigns a slight advantage since it was shown in MEA that effectiveness rises with the number of communications channels. But given that this was not the result of greater budget, it could be argued that the greater channel experimentation is a facet of the creativity at play here.

In terms of all the following other circumstantial factors that can influence effectiveness the two samples are quite closely matched (see Appendix):

- average market share
- leader versus challenger status
- category lifestage
- whether launches or re-launches.

These factors can therefore be disregarded as possible causes for observable differences between the samples.

**Main findings**

1. Creativity and campaign efficiency

Compared to the equivalent chart in the first edition of this report, Figure 2 suggests that there may have been some kind of time trend to the pattern of campaign efficiency. By extending the data the overall level of efficiency of the sample has increased slightly from around 1.1 points of market share growth per 10 points of ESOV to around 1.3 points. However this is as a result of adding both new (2010) data as well as earlier (pre-2000) data (mostly the former which accounts for the majority of the new data points used in this analysis), so it is not immediately clear in which direction the time trend lies: rising or falling efficiency. By dividing the sample of campaigns at the midpoint (pre-2004 versus 2004 and after), Figure 3 reveals that there has been a noticeable reduction in average campaign efficiency over the period – from 1.4 to 1.2 points of share growth per 10 points of ESOV (the gradient of the correlation line has flattened slightly). In part this may be due to the effects of recession and low economic growth from 2008. However, this decline occurs despite some efficiency-favouring trends in the composition of case studies over the period, such as a greater proportion of launches or re-launches (up from 32% to 41%), a greater proportion of brand leaders (up from 15% to 22%) and a smaller proportion of FMCG case studies (down from 49% to 44%). The true underlying reduction in typical campaign efficiency may therefore be greater than these headline figures suggest (this suggestion is supported by data shortly in this report).
The time trend is important to the conclusions to be drawn from the updated comparison of the efficiency of creatively-awarded campaigns versus non-awarded ones, because the superficial conclusion turns out to be misleading.

Compared to the original report findings, the headline efficiency of non-awarded campaigns has risen slightly from around 0.5 points of share growth per 10 of ESOV to around 0.8 points (Figure 4).
At about 60% the level of efficiency of the entire sample, non-awarded campaigns will once again prove clearly to be much less efficient than the smaller group of creatively-awarded campaigns. Figure 5 presents the equivalent efficiency plot for creatively-awarded campaigns.

At 5.4 points of share growth per 10 points of ESOV, the efficiency of awarded campaigns remains very considerably greater than non-awarded campaigns. However, the headline ratio of efficiencies has narrowed from the first report from around 11:1 to around 7:1 (Figure 6).
It might be tempting to infer therefore that the value of creativity is diminishing, but it turns out that this would be precisely the wrong conclusion to draw. The apparently increased efficiency of non-awarded campaigns is largely the result of adding older pre-2000 case studies to the analysis. Comparison of the efficiency of pre-2004 non-awarded campaigns with 2004 and post reveals a marked reduction in their efficiency from around 1.3 points of share growth per 10 of ESOV to around 0.5 points (Figure 7).

Thus non-awarded campaigns appear to have led the general declining efficiency trend, with the approximate halving of their efficiency over the period. Given that non-awarded campaigns are more typical of the universe of ordinary campaigns in service for typical brands, this suggests that general efficiency levels may well be declining faster than the headline rate reported above for the IPA case studies. The contrast with the situation experienced by creatively-awarded campaigns is sharp (Figure 8).
The efficiency of awarded campaigns appears to have risen markedly from around 3.5 points of share growth per 10 of ESOV to around 6.2 points. The ratio of efficiency of creatively-awarded to non-awarded campaigns has therefore in fact grown over the period from around 3:1 to around 12:1. This does not appear to be the result of changes to sample composition, which have both marched in step with the overall changes reported above. Some of the possible reasons behind this growth will be examined later in this report.

As in the last edition of this report, the statistical confidence levels remain extremely high for the efficiency correlation lines of the creatively-awarded sample: 99.9% overall, 97% pre-2004 and 99.5% 2004 and post. Confidence levels for the non-awarded sample have improved with the sample size, but remain lower: 99.7% overall, 98% pre-2004 and 95% for 2004 and post). Thus the observation made in the last report remains true, that in contrast to accepted wisdom there appears to be greater certainty of effect with highly creative campaigns than less creative ones. Creativity is not the ‘risky’ adventure that many in general management would appear to believe and is becoming even ‘safer’ over time. Moreover, the use of less creative campaigns appears to be becoming more risky – not just because of the loss of efficiency but also because the certainty of effect is falling for non-awarded campaigns.

2. Creativity and efficiency by sector

It was noted earlier that the awarded and non-awarded samples differed in sector composition, so it is important to gauge the impact this might have had on the findings.
above. The volume of data permits a tentative comparison of FMCG campaigns with non-FMCG ones and within this the efficiencies of creatively-awarded and non-awarded campaigns. As reported in MEA, FMCG categories are the least responsive to ESOV, and this is borne out with this analysis. Overall the level of efficiency recorded by FMCG campaigns was around 0.3 points of share growth per 10 of ESOV compared to 2.5 points for non-FMCG (Table 2).

### TABLE 2

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<tr>
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<th>FMCG campaigns</th>
<th>Non-FMCG campaigns</th>
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<tbody>
<tr>
<td>All campaigns</td>
<td>0.3</td>
<td>2.5</td>
</tr>
<tr>
<td>Creatively-awarded</td>
<td>2.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Not creatively-awarded</td>
<td>0.2</td>
<td>1.1</td>
</tr>
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However, within these overall levels of efficiency, there were wide differences between awarded and non-awarded campaigns, especially amongst FMCG campaigns. Creatively-awarded FMCG campaigns are around 18 times as efficient as non-awarded ones, whilst awarded non-FMCG campaigns are around 6 times as efficient as non-awarded ones. However it should be borne in mind that confidence levels, whilst high for the awarded campaigns, are low for non-awarded ones, especially FMCG. So the 18-times ratio is subject to high levels of possible error. Nevertheless, the fact that, within the FMCG sector, awarded campaigns widened their advantage over non-awarded ones, suggests that a reduced proportion of FMCG amongst the awarded sample would not have contributed significantly to the observed overall efficiency advantage they displayed.

3. The case for investing in creative campaigns

The relative lack of investment in terms of ESOV in creatively-awarded campaigns remains an enduring but ill-advised feature of the case studies examined, although encouragingly the disparity has narrowed over the period of the analysis. As shown in Figure 1, over the entire analysis period the average ESOV of awarded campaigns was 8.5 points lower than non-awarded ones. However the ESOV gap pre-2004 was around 12 points, falling to around 6 points in the 2004 and post period.

This ESOV disparity is not a function of brand size: the two samples are evenly matched in this respect. As suggested in the first edition of this report, the most likely explanation is the accepted wisdom, promoted by many advisors to marketers, that the
benefit of greater effectiveness is the ability to cut the budget and still to achieve the brand’s targets. This is quite often seen in case studies and has been widely affirmed by attendees at presentations of the previous edition of this report. Such advice may court favour with CFOs chasing quarterly results, but is unlikely to be in the longer-term interests of shareholders. The analysis shows that the benefit of creativity increases dramatically as the budget rises (and can be completely negated if it is cut too far). This particular advice to cut budgets in fact promotes the cutting of investment behind a highly productive but time-limited asset (due to wear-out) so that it delivers the same level of growth as a mediocre asset. Unless the business would genuinely be unable to supply the greater level of demand, then it must make sense to increase the media budget to ‘sweat’ the asset while it is still potent. Since no agency can guarantee to deliver a sequel with the same power, this study advises making the most of what you have.

The potential reward in terms of share gain of not cutting the budget behind creatively-awarded campaigns is illustrated in Figure 9. Remarkably, despite the considerable ESOV disadvantage that awarded campaigns endured, they were able to outperform non-awarded campaigns in share growth terms by 0.3 points (5.5 points of share growth versus 5.2). However, with the same level of ESOV as non-awarded campaigns, creatively-awarded campaigns would have driven around twice this level of share growth (10.1 points). The impact on return on marketing investment (ROMI) is likely to be much greater than this.

FIGURE 9
With the same ESOV, creatively-awarded campaigns would have driven twice as much share growth as non-awarded ones
Market share growth percentage points

<table>
<thead>
<tr>
<th>%</th>
<th>Creatively-awarded</th>
<th>Not creatively-awarded</th>
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<tr>
<td>12</td>
<td>5.2%</td>
<td>5.5%</td>
</tr>
<tr>
<td>10</td>
<td>5.2%</td>
<td>5.2%</td>
</tr>
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<td>8</td>
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At actual ESOV | At same ESOV
4. Creativity and broader business effectiveness

So far this report has looked only at efficiency, measured in terms of market share growth. But this is only one measure of business success; the Effectiveness Success Rate (ESR) was devised to measure success across a broad range of business metrics and to provide a good proxy for ROMI (with which it correlates quite closely). Figure 10 compares the ESR of awarded and non-awarded campaigns.

**Figure 10**
Headline Effectiveness Success Rates (ESR)

- 62% Not creatively-awarded
- 69% Creatively-awarded

Although the awarded campaign’s advantage of 7 points is quite marked for this particular metric, it is of course masked by the ESOV disadvantage they experience. By dividing the overall sample at the mid-point (6% ESOV) into high-ESOV and low-ESOV campaigns, Figure 11 shows how the ESR rises with ESOV (which is entirely to be expected – the greater the budget, the greater the results).

**Figure 11**
The impact of ESOV on the ESR
Effectiveness Success Rate

- 61% Low ESOV ≤6%
- 77% High ESOV >6%
Therefore in Figure 12 the relationship between creativity and the ESR is examined separately for low-ESOV and high-ESOV campaigns.

Within ESOV bands creatively-awarded campaigns are considerably more effective in the broad business terms of the ESR than non-awarded campaigns, especially at lower levels of ESOV (72% ESR versus 57%). It may appear contradictory to earlier findings that the difference is less for high ESOV campaigns (82% versus 76%) – those that ought to benefit most from creativity. In fact, examining the composition of this group suggests that mismatches of the sector profiles (in particular the proportion of launches and re-launches) of the awarded and non-awarded campaigns have masked the true difference compared to the low ESOV group. Additionally the difficulty of raising ESR levels as the 100% point is approached is another factor.

The data reviewed so far presents a fairly convincing body of evidence to support the link between creativity and effectiveness, but the analysis can go further to examine the strength and nature of the link.

5. Levels of creativity

As in the last edition of this report, the next step in the study is to test the hypothesis that if creativity is good for effectiveness then greater creativity ought to be even better. This involves examining the link between the number of creative awards won (the Gunn Report score) and the level of effectiveness. With the larger sample size now available this can be done in two ways.
Updating the analysis of the last report, Figure 13 examines the average Gunn Report scores of campaigns generating higher numbers of very large business effects (2+) with those generating lower numbers (0 or 1). This division point again divides the sample more or less into two equal halves.

The number of very large business effects is a crude proxy for levels of effectiveness, but has been validated in *Marketing in the Era of Accountability* (Table 51) as correlating with share growth. It is used here because it is available for all of the campaigns whereas actual share growth is only available for about half of them. **Campaigns generating higher numbers of business effects are clearly associated with higher levels of creativity** (2.9 average Gunn Report score versus 1.3). But again, ESOV will probably be masking the true scale of this relationship.

To eliminate the ESOV effect, Figure 14 examines the average Gunn Report scores of high-achieving campaigns with low-achieving ones within ESOV bands.
The chart shows that campaigns that achieved the most business effects on a lower relative budget (ESOV) were the most creative: an average Gunn Report score of 10.2 major awards. By contrast those that achieved the fewest business effects on a higher relative budget were the least creative: average Gunn Report score of just 0.2. High achievers on a high budget and low achievers on a low budget fall between these two extremes with Gunn Report scores of 0.8 and 2.9. **This is exactly the pattern to be expected if levels of creativity correlate with broad levels of business effectiveness.**

With the greater volume of data now available it is possible to add a more rigorous analysis of the effectiveness of levels of creativity. Figure 15 splits the creatively-awarded sample at the median point in terms of Gunn Report scores (4 points) to compare the efficiency of highly awarded campaigns with less awarded ones. Although the sample sizes are small (15 and 14 respectively) the correlations between ESOV and share gain for these creatively-awarded campaigns are very strong (both efficiency lines are at the 99% confidence level). The chart shows that campaigns with Gunn Report scores of 5 or higher are around 3 times as efficient as those with Gunn Report scores from 1 to 4.
So the expanded dataset provides robust supporting evidence that greater levels of creativity are associated with greater levels of effectiveness. This in turn strengthens confidence in the existence of a general link between creativity and effectiveness as well as in the potency of Gunn Report scores as an important metric for marketers.

6. Creativity and patterns of business effect

It is still early days in sample size terms to attempt to discern whether there is a different pattern to the business effects of creatively-awarded campaigns from non-awarded ones. However, with the caveat of low levels of significance attached to individual findings (the only significant differences even at the 90% confidence level are between top box market share metrics and direct short-term effects metrics) the general pattern is illuminating in many ways.

Figure 16 shows that creatively-awarded campaigns are associated with stronger business effects across the range with two exceptions. Not only do they outperform on volume measures (such as share and penetration) but also more importantly on value measures (price sensitivity). In *Marketing in the Era of Accountability* it was shown that campaigns with strong price sensitivity effects generally perform strongly in profitability terms. These measures are consistent therefore with the suggestion that creatively-awarded campaigns are commercially more successful.
However the two exceptions do not appear to support the superiority of creatively-awarded campaigns. The first of these is statistically not significant (even at the 90% level) and is inconsistent with the general pattern: top box profit growth was slightly lower for the awarded campaigns. Given that this particular metric is very highly dependent on the category and on the nature of the brand (rather than the effectiveness of the campaign), it is dangerous to infer too much with a small sample of awarded campaigns. With more data in subsequent editions of this report the issue will be re-examined.

The second exception – that of short-term ‘direct’ effects such as call-centre and click-through sales – is to be expected, but is interesting nevertheless. Creatively-awarded campaigns were just over half as likely to generate very large direct effects. This reflects the findings of *Marketing in the Era of Accountability* that, because direct effects do not require that a campaign engages long-term memory (a strength of emotional campaigns), rational campaigns tend to outperform emotional ones on this metric. Given that awarded campaigns are considerably less likely to be rational than non-awarded ones (a point covered later in this report), they are less likely to drive powerful short-term effects. In fact, this finding is entirely consistent with awarded campaigns’ broader commercial superiority, because the flip side of rational campaigns’ short-term potency is their weakness over the longer term. It is over the longer term (weeks, months and years rather than hours or days) that the vast majority of the commercial benefit of a successful brand campaign is achieved (a major study by consultants PricewaterhouseCoopers demonstrated that 45% of the return on investment of brand-building TV advertising comes through more than 12 months after the campaign runs).
The short-term issue is a very important one for marketers seeking to take advantage of creativity to boost effectiveness. Organisations that are strongly focused on short-term sales results (e.g. next day’s sales and to a degree this quarter’s sales) will inherently underestimate the benefits of creativity, which tend to play out over the longer term.

7. How creative campaigns appear to work

In many ways the most useful analysis for those seeking to encourage and identify creativity is of how and why creatively-awarded campaigns work harder. As in the first edition of this report, the analysis reveals that awarded campaigns are very considerably more likely to be emotional in modus operandi than non-awarded ones (47% versus 35%) and less likely to be rational (19% versus 34%) – see Figure 17.

It was shown in Marketing in the Era of Accountability that emotional campaigns (those that work by changing feelings towards the brand) are considerably more effective than rational ones (those that work by providing information). So by selecting in favour of emotional campaigns creative awards judges are also selecting in favour of effectiveness. But it is very unlikely that this alone can explain the extent of the effectiveness advantage that creatively-awarded campaigns enjoy.
The data also shows that awarded campaigns were almost twice as likely to generate very strong fame effects (i.e. online and offline buzz, sharing and other social responses) – Figure 18.

![Graph showing percentage reporting very large effects.](image)

Virgin Atlantic’s emotional restatement of everything it had stood for over the last 25 years proved a powerful antidote to an extremely deep recession in the airline business in 2009. Sales surged, price elasticity fell and VA posted a £68m profit at the same time that its key competitor reported a £401m operating loss. At one point 20% of the airline’s revenue was generated by the campaign: ROMI was in excess of 1000%.
‘Fame’ campaigns were shown in *Marketing in the Era of Accountability* to be the most effective campaigns of all and amongst their many strengths was a powerful price sensitivity effect; just as is the case with awarded campaigns. Again it is instructive to compare this with awareness growth, which appears to have nothing to do with the superior effectiveness of creatively-awarded campaigns. Probably because of their reduced ESOV levels, awarded campaigns were less likely to lead to very large awareness shifts. Awareness is a state of knowledge of a brand, whereas ‘fame’ is a state of enthusiasm for it. The two metrics measure very different things with widely differing levels of impact on effectiveness. This is important to marketers seeking to encourage creativity: the analysis suggests that brand awareness is not a good metric to employ, but that buzz metrics are.

**CASE STUDY 2 CREATIVITY AND FAME**

Looking at recent creatively-awarded campaigns in the study reveals an interesting evolution in the construction of campaigns that successfully exploit creativity for fame. The viral model powerfully exemplified in 2007 by Cadbury Dairy Milk with ‘Gorilla’ and subsequently ‘Eyebrows’ has evolved into models that make more structured use of online assets to drive fame.

![Cadbury Dairy Milk: Gorilla](image)

With the help of a dedicated download website and YouTube, ‘Gorilla’ generated 24 million extra views, boosting paid-for coverage of 38% to achieve 60% recognition (i.e. ‘earned coverage’ of an additional 22%). ‘Eyebrows’ (see next page) achieved over 14 million ‘earned’ views, entering the top 20 US viral chart for 20 weeks despite never being aired in the US. ROMI rose to 159% off the back of a 27% reduction in price sensitivity.
Perhaps the first step in this evolutionary pathway is exemplified by Barclaycard’s 2008 Waterslide commercial: an early viral success, Barclaycard moved quickly to exploit this TV commercial with a series of online quizzes and competitions and, most significantly, Waterslide Extreme – the most popular free branded iPhone app to date.

YouTube downloads added 7 million earned views to the paid-for schedule, whilst the iPhone app extended this with over 12 million downloads. ROMI rose to 250%.
The association of creativity with fame may illuminate the earlier finding that awarded campaigns appear to be getting more efficient over time whereas non-awarded ones are getting less so. As the multi-channel world develops it creates new opportunities for brands to engage with consumers. Central amongst these is the ability to get consumers to share campaigns (in various ways, not just virally) amongst their social networks. But as marketers are learning, the entry stakes for this are rising all the time: campaigns that do not surprise or inspire are unlikely to get shared. Creativity clearly feeds the motivation to share. By the same token the multi-channel world is progressively shutting out those brands that are unable to find the skills to compete on this new playing field. Evidence to support this theory is presented in Figure 19.

At the leading edge of this pathway is T-Mobile’s 2009 Liverpool Street station dance event: an idea created at the outset to exploit the full spectrum of online and offline channels now available to marketers.

By priming sharing of the event using social networks, invited attendees and a dedicated YouTube channel, 20 million views were added to paid-for exposure. Most impressively, the TV audience grew during the commercial break in which the commercial debuted just 36 hours later by half a million: creativity not merely converting an audience but creating one too. ROMI rose to 46% in the depths of recession.

T-Mobile: Liverpool Street dance
The proportion of creatively-awarded campaigns achieving top box fame scores has risen dramatically over time from 28% pre-2004 to 70% subsequently. Meanwhile non-awarded campaigns have managed only a meagre increase from 18% to 29% despite buzz becoming a much more widely held objective in recent years. Thus the fame gap between awarded and non-awarded campaigns has widened considerably, which is consistent with creativity playing an ever-stronger role in fame generation in the multi-channel world.

Awarded campaigns were also associated with larger brand image shifts (39% versus 28%), but this is much less marked than the fame effect and likely to have few implications for effectiveness (see *Marketing in the Era of Accountability*). The only other important intermediate brand effect of awarded campaigns was stronger top box impact on differentiation (39% versus 28%). This illustrates another facet of the power of creativity: its ability to create non-functional differentiation for brands (i.e. differentiation centred on feelings towards the brand rather than assessments of its performance).

This study has hopefully presented a fairly convincing body of evidence to support the link between creativity and effectiveness with for-profit campaigns and a reasonably compelling explanation of why it should exist. Sadly the same is not true with not-for-profit campaigns.
Part 2: Not-for-profit campaigns

Tentative findings

With a sample of only 68 campaigns and only 10 of these creatively-awarded, it is still not possible to reach any reliable conclusions about whether the link between creativity and effectiveness extends into the not-for-profit (NFP) sector. As with the last edition of this report the suggestion of the data is that there is not a convincing link, although the direction of the findings are slightly more positive in this respect than before.

■ Despite benefiting from marketing budgets almost five times greater than non-awarded campaigns, creatively-awarded campaigns were associated with slightly fewer top box business effects and only a very slightly higher ESR.

■ Perhaps of greater relevance to these NFP campaigns, awarded campaigns were associated with only a slightly greater number of top box intermediate effects (such as awareness, trust or fame).

■ Creative awards judges appear to be looking for other factors in NFP campaigns than in for-profit campaigns. Perhaps because the underlying causes behind the campaigns are often highly emotive themselves, judges are less influenced by this response to the campaign. Emotional campaigns are only slightly more prevalent amongst awarded than non-awarded NFP campaigns.

■ The fame (buzz) effect that was so marked with awarded for-profit campaigns does not appear to be associated with creatively-awarded NFP campaigns (in fact awarded campaigns achieved weaker fame effects). But there is no reason to suppose that buzz works any less hard in NFP – quite the reverse.

■ Government campaigns appear to underperform in creative awards terms compared to charities and causes, though this is unlikely to greatly influence their effectiveness: the ESR of awarded Government campaigns is not significantly higher than non-awarded ones, nor is their association with top box intermediate effects (though both are very slightly higher for awarded campaigns).

More data would be needed before these suggestions could be reliably corroborated, but for the time being the link between creativity and effectiveness in not-for-profit campaigns remains unproven.
Appendix

Comparison of factors not disclosed in the main body of the report that might have affected the for-profit findings.

The following circumstantial factors were not disclosed in the main body of the report because they were fairly evenly matched across the creatively-awarded and non-awarded samples:

- **Market share** The average market share of non-awarded campaigns was slightly higher (16.4%) than of awarded campaigns (16.0%). This might have given non-awarded campaigns a very slight effectiveness advantage as it has been shown (e.g. in *Budgeting for the Upturn*) that larger brands are able to drive greater growth from an equivalent pro-rata level of expenditure than smaller brands. However it is unlikely that any benefit would be large enough to measure.

- **Leader versus challenger** Awarded campaigns were slightly more likely to be brand leaders (24%) than non-awarded campaigns (22%). This would have given awarded campaigns a very slight effectiveness advantage, but again this is unlikely to significantly affect the overall findings.

- **Category lifestage** Awarded campaigns were slightly more likely (32%) to be in new or growing categories than non-awarded campaigns (31%). As explained in *Brand Immortality*, this would have given awarded campaigns a very slight effectiveness advantage, but probably too small to measure.

- **Launches and re-launches** Non-awarded campaigns were slightly more likely (39%) to be launches or re-launches than awarded campaigns (37%). As shown in *Marketing in the Era of Accountability* this would have given non-awarded campaigns a very slight effectiveness advantage, but unlikely to be measurable.

Taken together the factors above are extremely unlikely to have accounted for any significant differences in the observed levels of effectiveness of the awarded and non-awarded samples. All the factors that may have had a significant impact on the findings are discussed in the main body of the report.
Contacts

For further information on this and related topics contact:

**The Gunn Report**

**Donald Gunn**, Chairman  
Email: donald@gunnreport.com

**Emma Wilkie**, Managing Director  
Email: emma@gunnreport.com  
www.gunnreport.com

**IPA Databank**

**Peter Field**, Marketing Consultant  
Email: peter.field@dsl.pipex.com

**Janet Hull**, IPA Director of Marketing  
Email: janet@ipa.co.uk  
www.ipa.co.uk/cases

References and additional reading

The following publications can be purchased online at [www.ipa.co.uk/shop](http://www.ipa.co.uk/shop):


