IPA

THE GUNN REPORT

Selling Creativity Short

Creativity and effectiveness under threat

In association with

thinkbox

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Foreword

Donald Gunn
Founder, The Gunn Report

I am even prouder to be asked to write a Foreword to the 2015 IPA Creativity & Effectiveness Report than I was four years ago in 2011.

You might find that surprising when you read what the new report has to tell us.

To recap, the IPA/Gunn Study had merged the IPA Effectiveness Awards and Gunn Report creative awards databanks in order to compare business results achieved by IPA entries which were *also* creatively awarded (at a high level) to those which were not. The 2011 report established that:

1. creatively-awarded campaigns were seven times more effective than non-awarded ones in terms of the level of market share growth they drove per point of ESOV; and

2. what's more, the extra leverage of creativity was accelerating. Over the second half of the 16-year period, creatively-awarded campaigns were 12 times as efficient as non-awarded ones, compared to 3 times as efficient in the first half.

As a champion of the selling power of superior creativity, one might have said: 'it doesn't get any better than this!'

It didn't. The 2016 report reveals that the efficiency multiplier of creatively-awarded campaigns over non-awarded ones has fallen from 12 in the decade to 2010 to just over 6 in the decade to 2014.

The underlying cause has been recession. The global financial crisis of 2008/2009 turned into the longest and deepest recession since the Second World War. The new report identifies how low growth (particularly in buoyant categories) and slow recovery has led to reduced budgets – 'a lurch towards small levels of ESOV and a share maintenance mentality.' Creatively-awarded budgets have suffered especially – creativity being used as a substitute for investment (rather than as a multiplier of it).

In parallel, in the last six years there has been a shift among IPA case studies to short-term campaigns with rapid sales effects in mind. And this trend to short-termism has turned out to be much greater among creatively-awarded campaigns. Sinister news, since a key finding of the 2011 report was that the powerful advantage of highly creative campaigns over less creative approaches takes greatest effect over the longer term.

In such a climate, it is actually quite remarkable that creatively-awarded campaigns remain six times more efficient than non-awarded ones.

At the same time, we at The Gunn Report are exceptionally proud to be part of the IPA project on the link between creativity and effectiveness. The 2016 report presents a brilliant analysis by Peter Field of all the factors, trends and issues, plus well thought-out, detailed and spot up-to-date recommendations on how to tap the powerful potential of creativity to deliver superior sales.

It deserves the attention of every ambitious marketer.

Introduction

Janet Hull
Director of Marketing Strategy, IPA

Evidence-based decision-making for marketing and advertising lies at the heart of the IPA Effectiveness initiative.

Our ambition is to provide continuous learning from best practice case examples in order to encourage better business and brand outcomes.

We aim to separate myth from reality, using insight from data to inform our thought leadership white papers, events and continuous professional development.

This report is no exception.

Drawing on two of the world's most respected data sources; the IPA Effectiveness Databank and The Gunn Report, it seeks to provide rigorous proof of what is happening in the market.

It can make uncomfortable reading. The impact of creativity on efficiency has halved. In a business climate driven by short-term thinking and instant 'everything', creativity is being short-changed.

There is no evidence that the power of creativity has weakened, but more that its application has suffered from being briefed against short-term tactics, or being deprived of mid to long-term investment.

As we approach our centenary in 2017, the IPA is putting ever more resource behind its sustained drive to promote the development of a more coherent effectiveness culture, uniting agencies and clients.

With the support of 12 industry associations in the UK, an advisory board of 20 top corporates, and a select group of leading global academic institutions, we are taking evidence-based decision-making for marketing upstream, and mainstream, with the creation of an annual Effectiveness Week and the provision of a continuous all-year-round Effectiveness Institute (www.effectivenessweek.com).

Almost half of the value of the world's listed companies lies in intangibles,[1] and 80% of the value of companies in the Standard & Poors (S&P) index. There has never been a more important time to frame the debate about how brands and customers create value for business. Marketers need a balanced long, mid and short-term investment strategy if they are to optimise value creation and return on marketing investment (ROMI). They also need a commitment to creativity. Creativity is not just a rescue strategy for an underinvested brand. It is the cornerstone for sound business management.

1 Global Intangible Finance Tracker (GIFT™), Brand Finance 2016

Management summary

Peter Field
Marketing Consultant

The last IPA report on creative effectiveness[2] covered only the early days of the global downturn and reached the positive conclusion that "creatively awarded campaigns are becoming more effective".

The subsequent years have been tumultuous in marketing. A deep and lingering recession has modified the mood of marketing and the evolving media landscape has altered the practice of marketing. Both of these are in turn altering the impact of creativity on effectiveness. This report reveals that, for the first time in the 20-year run of data, creatively awarded campaigns have been losing some of their effectiveness advantage. They are still considerably more effective than non-awarded campaigns, but a destructive downward trend has developed.

This report covers case studies up to 2014: with six years of data covering the period since the onset of the global financial crisis, the analysis can go deeper and more reliably than ever before to examine how the factors influencing creative effectiveness have shifted.

2 *The Link between Creativity and Effectiveness*, Field P, IPA, 2011

1 **Budget investment behind creativity has fallen sharply**
Since 2006 average IPA campaign budgets expressed as Extra Share of Voice (ESOV) – the difference between share of voice and share of market – have fallen by around 12 percentage points. For creatively awarded campaigns the fall has been even greater, at around 20 percentage points, taking them into negative ESOV territory for the first time in the 20-year run of data. At this level, awarded campaigns should not expect to drive market share growth. The budget disadvantage of awarded vs. non-awarded campaigns has widened to around 14 percentage points: this is far from a level playing field on which to compare effectiveness. More importantly, the data suggests that:

- If ESOV is cut to negative levels, awarded campaigns are likely to achieve less growth than non-awarded ones, meaning that the benefit of investment in creativity will have been wasted.
- If ESOV is cut below around -8% then growth will tend to turn negative.

2 **Short-termism has grown dramatically**
Since 2006 the percentage of IPA campaigns that ran for less than six months (short-term campaigns) has more than quadrupled to over 30%. For creatively awarded campaigns the rise has been even sharper, to around 45%. Because creativity delivers business results most strongly over the long term, this 'miscasting' undermines the impact of creativity: over these short time scales non-awarded campaigns tend to outperform awarded campaigns, meaning that again the benefit of investment in creativity will have been wasted.

> *"This report reveals that, for the first time in the 20-year run of data, creatively awarded campaigns have been losing some of their effectiveness advantage."*

3 **Creativity has evolved to meet new demands**
A growing percentage of creatively awarded campaigns are awarded for integrated multi-channel ideas. These appear typically to be designed to make greater use of digital channels to attempt to offset reduced budgets, and to include strong activation to improve short-term results. They have some success at the latter objective, but not the former. However, despite considerable improvements to short-term effects, these campaigns remain less effective in the short term than non-awarded campaigns. They share the same long-term effectiveness advantages as campaigns awarded for single-channel creativity, so represent a step forward, but only if put to work over the long term.

4 **Brand fame effects have declined**
The principal advantage that awarded campaigns have over non-awarded ones in terms of *modus operandi* is 'fame' – i.e. the extent to which the campaign created offline and online conversation for the brand. The reduction of campaign budgets and the shift to short-term campaigns have both impacted negatively on fame effects, which have now begun to fall for the first time in the 20-year run of data.

5 **Impact on effectiveness**
The combination of reduced budgets and short timescales, imposed more severely on creatively awarded campaigns, have had a considerable impact on the relative efficiency of awarded campaigns vs. non-awarded ones. The efficiency multiplier has fallen from 12 in 2010 to around 6 in 2014. This still represents an immensely valuable commercial advantage for creativity, but unless the trend is reversed, this advantage is at risk. The data suggests that both causes are more-or-less equally to blame for the erosion of effectiveness, and that the dwindling group of long-term, fully funded campaigns is as effective as ever.

Key recommendations

1 Highly creative ideas should be designed to work over the long term (longer than six months). This has both creative and media implications: they need to maintain an enduring 'fame' presence in market.

2 A highly creative campaign (especially cross-channel) should be regarded as a good commercial case for increased media investment: strongly positive ESOV. This will maximise its long-term return on investment, which is likely to be considerable. Negative ESOV will undermine its ROMI and eliminate the benefits of creativity.

Data, metrics and terminology

Only commercial for-profit campaigns are analysed in this report. The analysis is based on the fusion of the IPA Effectiveness Databank with the Gunn Report creative awards dataset.

The IPA Databank records over thirty years of data associated with the entries to the IPA Effectiveness Awards competition, allowing analysis to explore the link between inputs (e.g. strategy, media and budgets) and outputs (e.g. long and short term business effects and brand metrics). The Gunn Report dataset records creative award wins at the top 46 creative shows around the world, providing the most objective measure of creativity available. Both are globally pre-eminent data sources. In combination they allow us to robustly examine the relative effectiveness of creatively awarded campaigns compared to non-awarded ones. As with previous reports, 'effects reported' refers to 'very large' changes observed. The Gunn Report data commences in 1996, meaning that the full, fused data set commences then and consists of 479 cases, of which 92 were creatively awarded campaigns.

In addition to largely self-evident metrics such as 'market share growth' or 'brand awareness shifts', the key metrics that have been used in the analysis of campaigns are:

1. **The number of business effects**
This measures the average number of 'very large' (i.e. 'top box') scores reported across a wide range of business metrics from penetration to share and profit growth. The metric is used because it is able to identify strong business performance across the widely divergent objectives and challenges facing the brands in the IPA Databank. No single business metric can reliably do this.

2. **Activation effects**
This records the percentage of campaigns that reported 'very large' improvements to short-term sales activation measures such as trial, website visits or search, click-throughs or other direct response.

3. **Efficiency**
This measures the market share growth (in percentage points) achieved per 10 percentage points of Extra Share of Voice (ESOV). ESOV is the difference between the brand's share of voice (i.e. share of category communications expenditure across all channels) and its share of market. 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. The metric provides a level playing field on which to compare campaigns with very different expenditure levels.

4 The number of brand effects

This measures the average number of 'very large' scores reported across a wide range of brand metrics, from awareness to brand image. Again, an aggregated metric is used because it is able to identify strong brand-building performance across the widely divergent objectives and challenges facing the brands in the IPA Databank.

5 Creativity

The Gunn Report score provides the most objective measure available of levels of creativity. It represents the collective wisdom of the many creative judges (all highly experienced practitioners) that judged the world's top creative competitions. A score of one 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.

> *"The Gunn Report score provides the most objective measure available of levels of creativity."*

6 Short-term versus long-term

Short-term campaigns are defined as those that ran and were evaluated over periods of less than six months. This is not an arbitrary period: previous studies of the IPA Databank[3] have shown that six months is the cusp-point at which long-term campaign effects overtake short-term effects in driving overall campaign performance.

3 *The Long and the Short of It,* Binet L & Field P, IPA 2013

1

The changing marketing environment for creativity

This chapter primarily explores two important and interlinked changes that are difficult to disentangle, and have occurred over the last six years, impacting the contribution that creativity has been able to make to business success.

1. The first is **recession** (and subsequent low growth in developed economies).

2. The second is the growing **focus on the short-term** business results of campaigns (over seconds, days or quarters, rather than years).

Although it is obvious that recession has generally had a detrimental effect on marketing success, the impact on the contribution of creativity is not entirely obvious. Moreover the extent to which the global financial crisis might still be affecting marketing success is perhaps overlooked.

It was reported in the previous IPA paper on creative effectiveness[4] that short-term campaign evaluations prejudice against creativity, because highly creative campaigns tend not to deliver as powerfully in the short term as less creative approaches. So growing short-termism can be expected to have had a detrimental effect on the observed contribution of creativity to marketing success. But, as this report will show, creativity is adapting to this pressure, so the key question is: how successful has that adaptation been?

4 *The Link between Creativity and Effectiveness,* Field P, IPA, 2011

1.1

The effects and legacy of recession

The last IPA creativity report was written in 2011, making use of the latest 2010 case studies then available. These case studies generally covered the first two full years of the global financial crisis (2008-9) that would turn into the longest and deepest recession in developed economies since the Second World War.

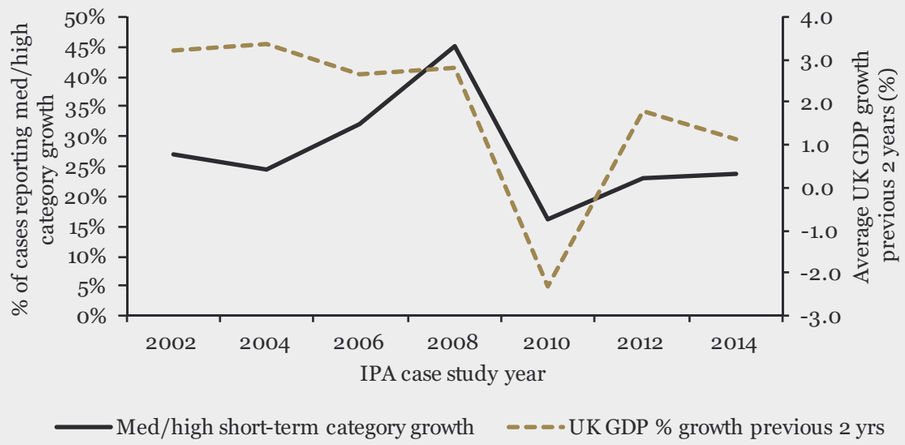
But although there were early signs of the impact of recession on patterns of effectiveness and on the benefits of creativity, the volume of data was too limited to observe any distinct changes.

With the addition of

115

new for-profit cases in 2012 and 2014 (27 of which were creatively awarded to the level recorded in the Gunn Report) the direct impact of recession and its legacy of slow recovery are now much clearer.

Figure 1
Recession has adversely affected reported category growth



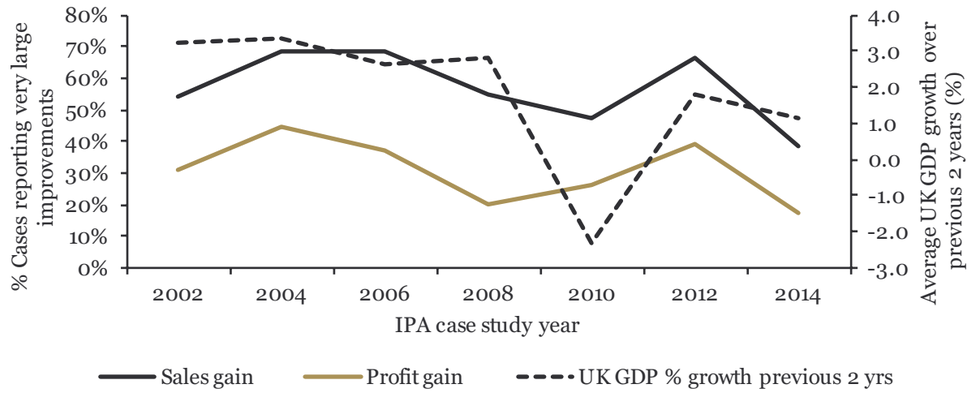
Source: World Bank

The long, slow climb back to recovery after the recession has left a legacy of sub-par growth.

Figure 1 shows the considerable impact that the recession (shown as the negative dip in GDP growth) had on the proportion of cases in buoyant categories. The GDP data is lagged and averaged over two years to reflect the typical period that IPA cases cover: the two years prior to the year of submission. Not only was category growth adversely affected during the recession, but also the long slow climb back that is characteristic of this recovery has left a legacy of sub-par growth. This in turn has left a trail of damage across the spectrum of marketing inputs and outputs.

"Companies have become much more reluctant to invest in share growth."

Figure 2
Recession has adversely affected reported sales and profit growth

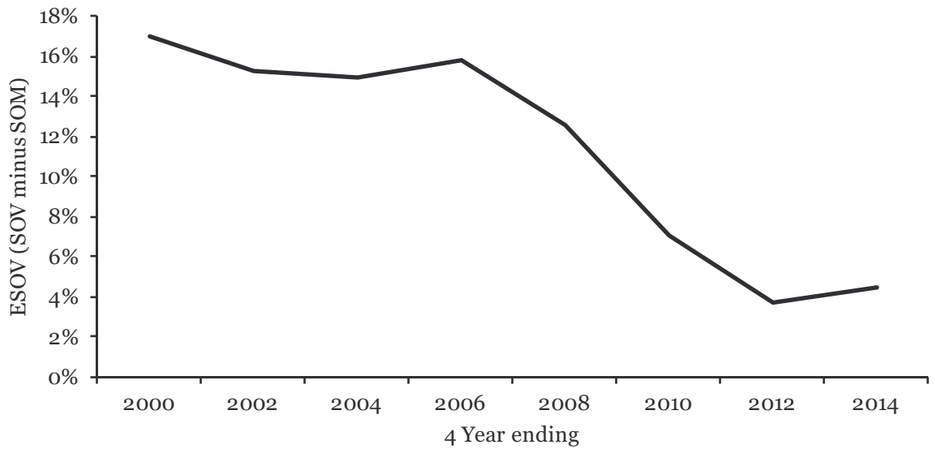


Source: World Bank

Most obvious of these is the impact on the levels of sales and profit growth that campaigns have been able to achieve (Figure 2), neither of which experienced much of a post-recession bounce and have faltered thereafter.

But perhaps the most pernicious impact has been on budget levels. Companies have become much more reluctant to invest in share growth.

Figure 3
ESOV has fallen sharply towards a maintenance level



Many have been encouraged by a growing but unfounded belief that ESOV is no longer important in the digital age.

Figure 3 shows the dramatic effect recession has had on average budget levels, measured as ESOV ('extra share of voice'). Lower ESOV results in lower levels of market share growth. According to John Philip Jones,[5] small brands may need around five points of ESOV simply to maintain market share, though this maintenance level is likely to be lower for the highly effective campaigns in the IPA Databank. So very small levels of ESOV indicate a share maintenance mentality.

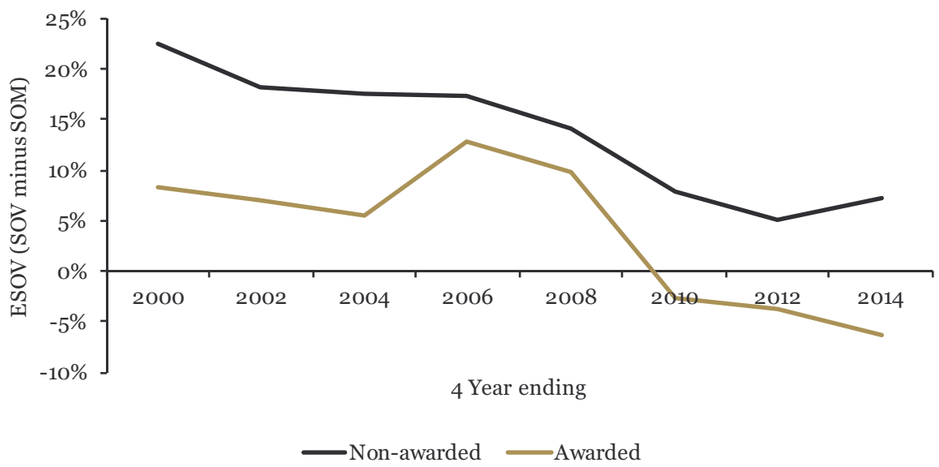
5 Ad spending: maintaining market share, Jones J P, *Harvard Business Review*, 68, 1, January/February 1990

Marketers are increasingly looking to the campaign rather than the budget to make the difference to growth.

Figure 3 reveals a 'lunge' towards this maintenance mentality even amongst the relatively ambitious campaigns in the IPA Databank. This maintenance mentality has endured during the weak recovery, with no real sign of any feel-good surge to a growth mentality: budgets in monetary terms may have been raised by ambitious brands, but only in line with competitors', so ESOV has not recovered. In doing so, many have been encouraged by a growing, but unfounded, belief that ESOV is no longer important in the digital age; that market forces linking investment to impact no longer apply.

It is certainly not true that 'earned' exposure is a reliable or sustainable substitute for paid exposure – it can boost paid impact but, as this report will show, needs the fuel of paid exposure (i.e. ESOV) to deliver reliably. The implication of Figure 3 is that marketers are increasingly looking to the campaign rather than the budget to make the difference to growth. This is naïve to a large degree: growth is a product of effective advertising and above-maintenance levels of investment behind it. The economic realities of media market forces mean that this will always be so.

Figure 4
Awarded campaign budgets have fallen to negative ESOV levels



For the first time in the entire data run, the average awarded campaign budget has subsequently moved into negative ESOV territory.

Whilst this 'maintenance mentality' is a general observation, Figure 4 demonstrates that creatively awarded campaigns have been particularly impacted since the beginning of the recession. After a brief improvement to creatively awarded campaign budgets in 2006-8, for the first time in the entire data run, the average awarded campaign budget has subsequently moved into negative ESOV territory.

The significance of this should not be underestimated: creatively awarded cases from 2010 onwards in general had no right to expect to drive share growth. In fact, their expectations should have been for static or declining share.

Case study

Nissan

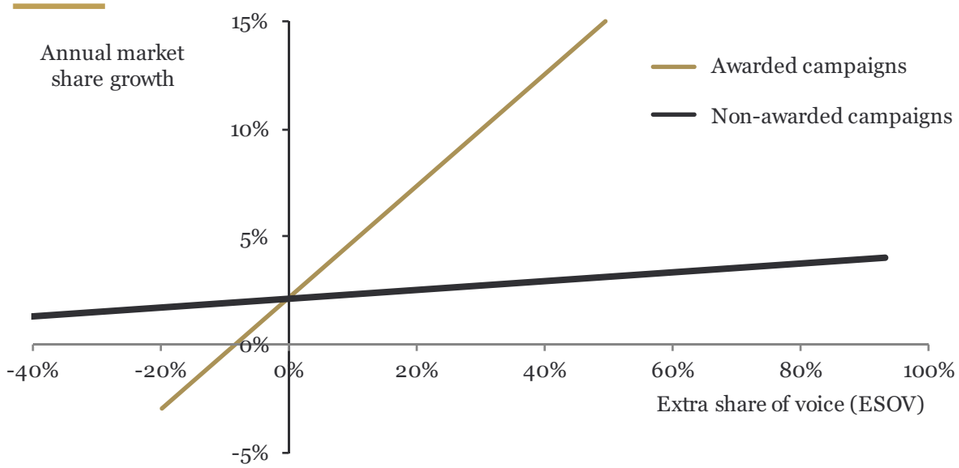
2012

The 2012 case study for Nissan in Brazil was appropriately titled "Nissan: what is the most efficient path between two points?"

A combination of world-beating creativity and a realistic budget for growth resulted in one of the top-performing efficiency stories in the IPA Databank.

Market share rose from
1% to 4%
over two years.

Figure 5
The relationship between ESOV and share growth for awarded and non-awarded campaigns (1996-2014)



If ESOV is cut to negative levels the benefit of investment in creativity will have been wasted.

Figure 5 shows the relationship between ESOV and share growth for awarded and non-awarded campaigns, revealing the familiar steeper gradient (i.e. greater efficiency) of awarded campaigns – this is explored in the final section of this report.

So 'efficiency' in this report is a measure of the growth achieved per unit of investment behind the campaign.

The chart has very important implications for investment behind creatively awarded campaigns. It shows two widely overlooked features, detailed opposite:

1 **If ESOV is cut to negative levels, awarded campaigns are likely to achieve less growth than non-awarded ones,** meaning that the benefit of investment in creativity will have been wasted. This is the case with around 40% of awarded campaigns: their average share growth was less than half of that achieved by non-awarded campaigns with negative ESOV.

2 **If ESOV is cut below around -8% then growth will tend to turn negative.**

Relative lack of investment behind creatively awarded campaigns is a constant feature. Creativity is used as a substitute for investment rather than a multiplier to it. There is a completely false logic behind this: creativity only delivers its business benefits with positive levels of ESOV. The brief rally over the periods ending 2006-8 was partly a result of a number of larger, better-funded brands swelling the creatively awarded ranks. Since then, the long-run situation has returned, of brands with awarded campaigns being, on average, slightly smaller than brands with non-awarded campaigns. This in fact has a double-whammy impact on effectiveness: not only are smaller brands less able to afford the investment in growth levels of ESOV, but also they need greater levels of ESOV to drive the same level of growth as larger brands.[6] Of particular importance in the post-recession marketing world is that brands with dominant market shares achieve much greater share growth at zero ESOV than small brands with single-digit market shares.

6 *Marketing in the Era of Accountability,* Binet L and Field P, IPA/Warc, 2007

1.2

The effects of increasing short-termism in marketing

It is often observed that marketing is becoming more focussed on short-term sales, though unfortunately the damaging impact this has on long-term effectiveness is much less widely understood.

> *Long-term results cannot be achieved by piling short-term results on short-term results.*

Peter Drucker, *Post-Capitalist Society*, 1993

Figure 6
Short-termism has grown rapidly amongst IPA case studies

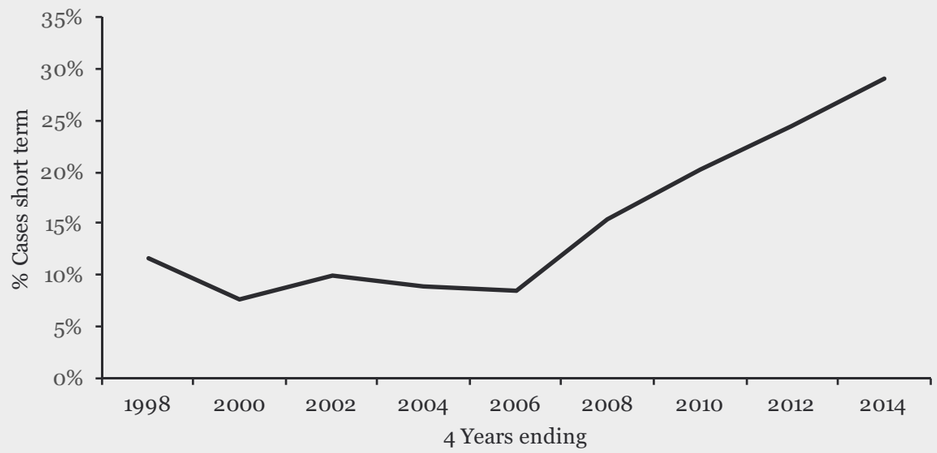
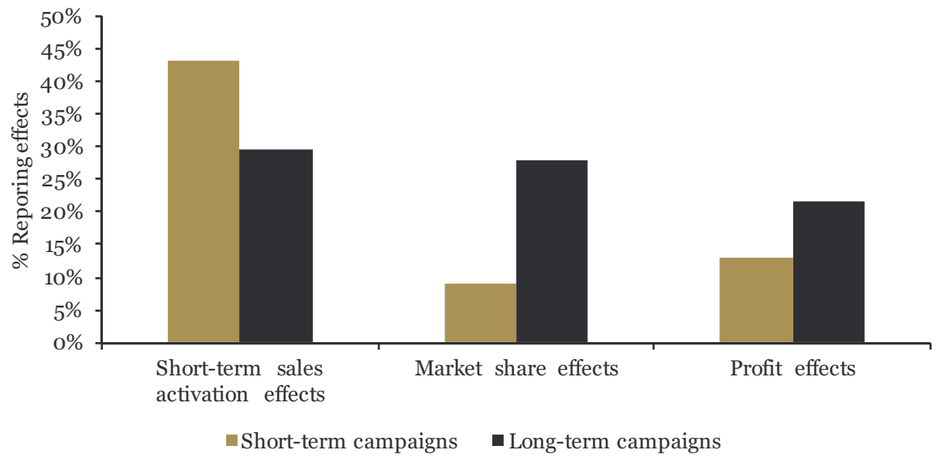


Figure 6 reveals the dramatic extent of this shift amongst IPA case studies towards short-term campaigns, designed with rapid sales effects in mind, rather than sustained long-term growth derived from brand building. Since 2006 the proportion of campaigns that were evaluated over less than six months (i.e. 'short term') has risen from under 10% to around a third.

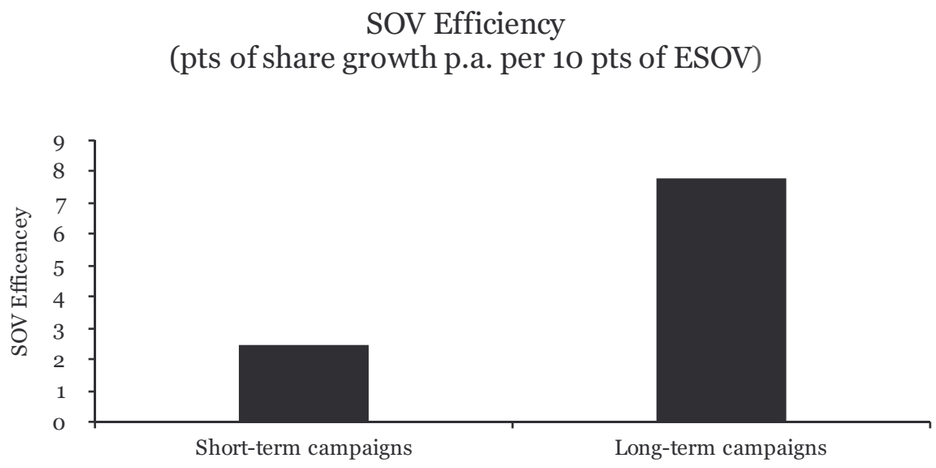
> *Since 2006 the proportion of campaigns that were evaluated over less than 6 months (i.e. 'short term') has risen from under 10% to around a third.*

Figure 7
Short-term campaigns deliver strong transient effects but weak long-term growth



This trend should be of major concern to anyone interested in long-term marketing effectiveness. There is a strong link between campaign duration and both effectiveness and efficiency: short-term campaigns may drive rapid sales activation effects (Figure 7) but these are usually transient – much less effective at building long-term effects such as market share and profit growth – and are much less efficient (Figure 8) than campaigns designed for long-term brand-building led growth.

Figure 8
Short-term campaigns are ultimately less efficient than long-term campaigns



Long term campaigns are

3

times more efficient.

Figure 8 reveals that long-term campaigns (those that were evaluated over periods of longer than six months) were around three times more efficient than short-term campaigns.

Case study

Specsavers

2014

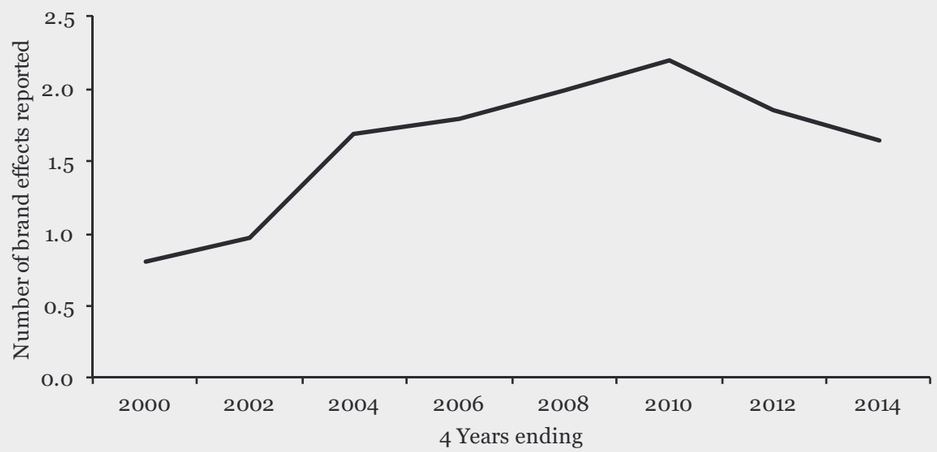
The current highly effective phase of the Specsavers campaign has run since 2008 and produced some memorable creativity. Harnessing the power of social media in 2013 to amplify the long-term TV-built fame of the campaign resulted in another surge of interest and sales.

Over a period of five years from 2008 the campaign has generated an additional

£750m

in incremental profit.

Figure 9
Brand-building effects of IPA campaigns have faltered



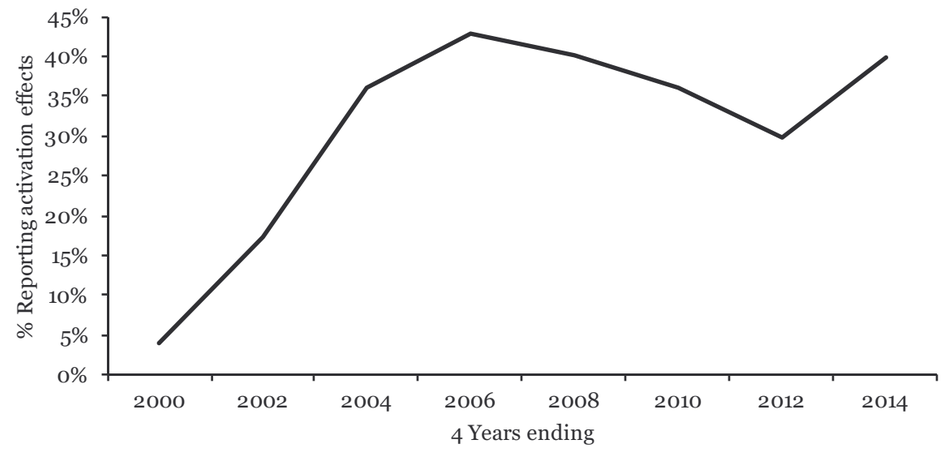
Long-term campaigns are more effective because they create stronger brands.

Even marketers who are primarily interested in short-term effects should be concerned by this trend. Long-term campaigns are more effective because they create stronger brands. The shift to short-term activation focussed campaigns has in recent years reversed a trend to greater brand strengthening by campaigns (Figure 9).

But it is easier to activate sales for stronger brands, so the trend to short-termism isn't in fact driving greater activation effects: these peaked at the onset of the global financial crisis and appear to have faltered since (Figure 10).

> *"Creativity is increasingly operating in a short-term marketing world with more limited communications budgets, eager for early success and quick wins."*

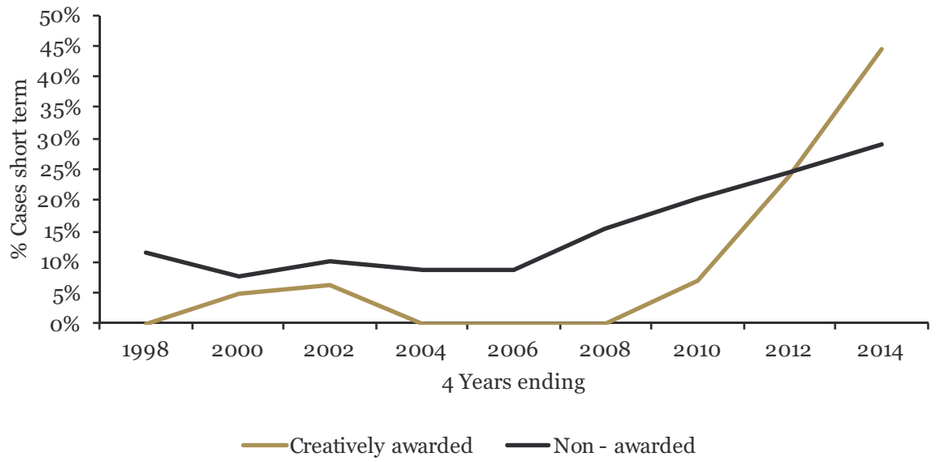
Figure 10
Activation effects of IPA campaigns have faltered



So creativity is increasingly operating in a short-term marketing world with more limited communications budgets, eager for early success and quick wins. This is likely to have a significant impact on the effectiveness of both creatively awarded and non-awarded campaigns.

This trend to short-termism would have little relevance to the relative performance of creatively awarded campaigns versus non-awarded ones, were it not for two important differences between them.

Figure 11
Short-termism has affected awarded campaigns much more strongly

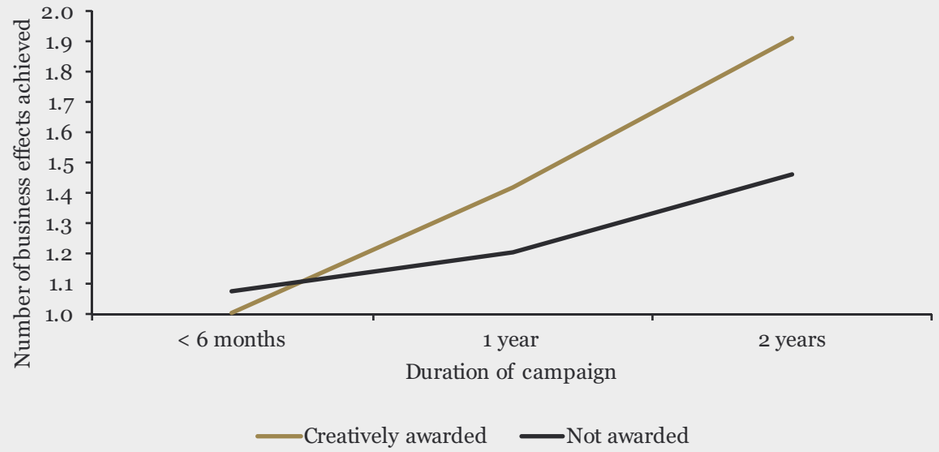


Creativity is becoming ever more harnessed to the task of short-term selling.

The first difference is the fact that the trend towards short-termism is inexplicably much greater amongst creatively awarded campaigns.

Figure 11 shows that, whilst both awarded and non-awarded campaigns have been victims of growing short-termism, the trend is *much* more pronounced amongst creatively awarded campaigns. In the past, awarded campaigns have tended to be less likely to be short-term, but since 2010-12 this has dramatically reversed and they are now one-and-a-half times more likely to be short-term than non-awarded campaigns. It appears that creativity is becoming ever more harnessed to the task of short-term selling. This is an extremely unfortunate and inappropriate use.

Figure 12
Creatively awarded campaigns underperform non-awarded ones over periods of less than six months, but out-perform them over the long term



The trend to short-termism poses a major threat to the observed value of creativity.

The second difference is that short-termism undermines the effectiveness of creatively awarded campaigns more strongly than of non-awarded ones. As was noted in *The Long and the Short of It*,[7] creatively awarded campaigns deliver only a fraction of their full potential in the short term. They under-perform over periods of six months or less, even more so than less creative approaches (Figure 12). So if conclusions about effectiveness are drawn in the short term, marketers will tend to come to the conclusion that non-awarded campaigns are more successful. However, if conclusions are drawn over periods of a year or more, marketers will tend to come to precisely the opposite conclusion, as awarded campaign effects power ahead. So the trend to short-termism poses a major threat to the observed value of creativity and therefore to creativity itself.

7 *The Long and the Short of It*, Binet L & Field P, IPA 2013

Case study

Mattesson's

2014

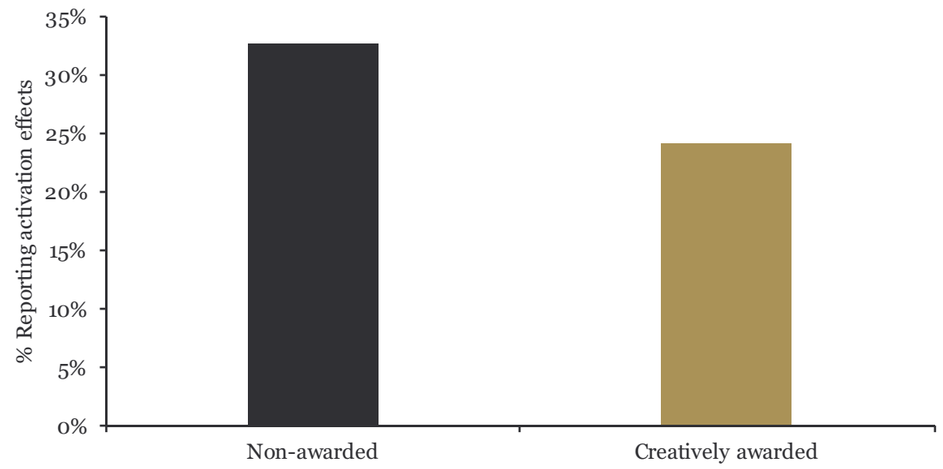
The Mattesson's Fridge Raiders campaign ran from January-March 2013. A relatively low-budget social media driven campaign designed to stimulate consumer-generated ideas for a snacking device, it produced an impressive short-term sales uplift of 20% over the campaign period. Short-term ROMI was higher than a previous TV campaign, but econometric modelling revealed that sales uplifts ceased six weeks after the end of the campaign.

The campaign produced an impressive short-term sales uplift of

20%

over the campaign period, but sales uplifts ceased six weeks later.

Figure 13
Non-awarded campaigns create stronger activation effects (1996-2014)



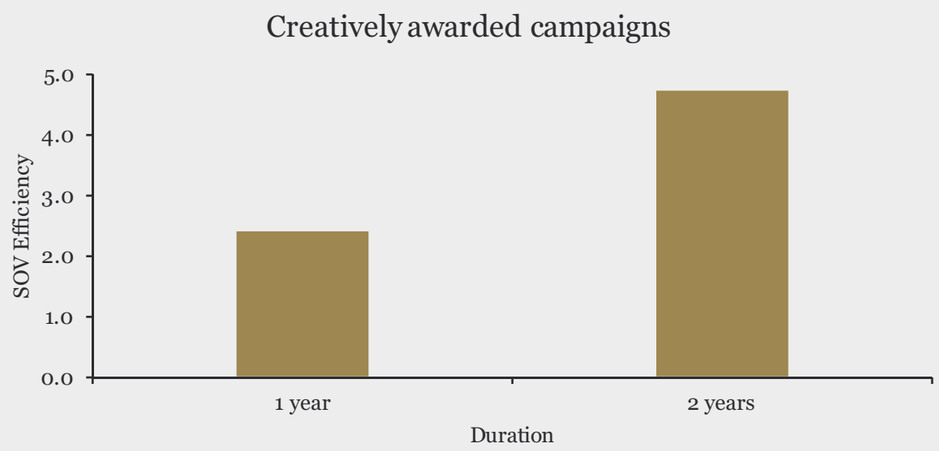
Awarded campaigns are typically more than

25%

less likely to achieve very large activation effects than non-awarded ones.

The inevitable corollary of this is that if short-term sales activation metrics are used as the primary measure of success of campaigns, as 'big data' encourages marketing to do, then marketers will be further prejudiced against creativity. Figure 13 reveals the considerable size of the activation gap between creatively awarded and non-awarded campaigns – awarded campaigns are typically more than 25% less likely to achieve very large activation effects than non-awarded ones.

Figure 14
Creatively awarded campaigns grow more efficient the longer they run (1996-2014)

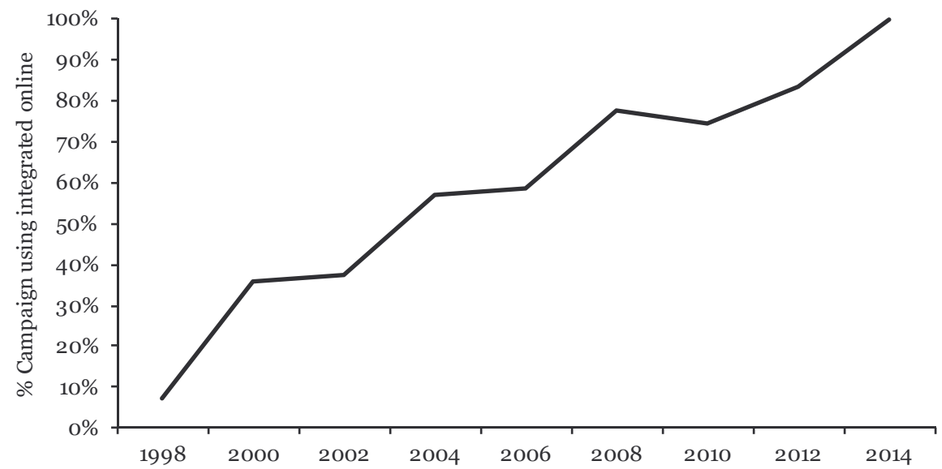


If highly creative ideas are denied the time to work fully over the long term, their apparent effects diminish considerably.

The growing imposition of short evaluation time frames on highly creative campaigns leads to considerable under-estimation not only of their effectiveness, but also of their efficiency. Figure 14 demonstrates how the efficiency of creatively awarded campaigns also grows over time, as the fame effect that drives their success gathers momentum. If highly creative ideas are denied the time to work fully or are not adequately exploited over the long term, their apparent effects diminish considerably.

> *There has been a rapid growth in the use of new digital communications channels promising instant effects for less money than traditional media.*

Figure 15
The rapid growth of integrated online channel usage by IPA campaigns



The trend to short-termism may not purely be a result of the recession and its legacy on the marketing mentality. There has at the same time been a rapid growth in the use of new digital communications channels promising instant effects for less money than traditional media. Figure 15 charts the rapid growth of usage by IPA case studies of any online channels, as an integrated part of the campaign, since just before the turn of the millennium. Usage over the period has grown from just 7% to 100%.

Case study

Mercedes

2014

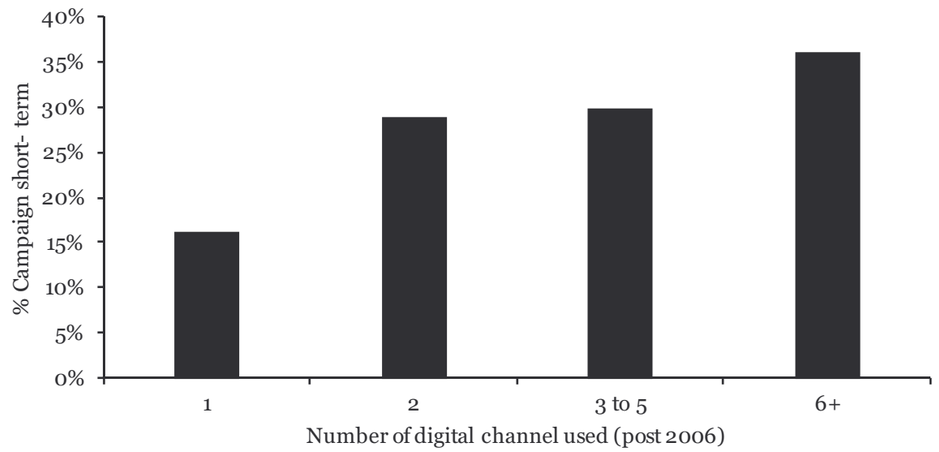
To widen the appeal of the marque to a younger target audience, Mercedes launched an online story and competition set in a sci-fi world of the future. Launched in classic style on TV, 'Escape the map' made virtuoso use of digital channels to gather the involvement of the target. Over a five month period the campaign generated £1m in incremental profit, net of marketing costs, from increased sales – and left sales on an upwards trend. The profit return excludes these on-going long-term sales effects.

Over a five month period the campaign generated

£1m

in incremental profit.

Figure 16
Digital channel usage is associated with short-termism



A considerable proportion of digital channel usage is being harnessed to short-term sales activation.

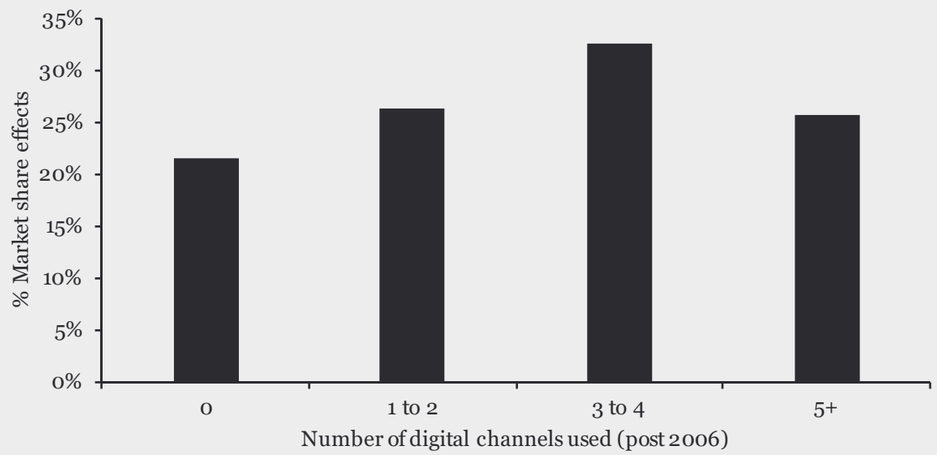
The growing use of digital channels in recent years appears to be partly associated with the trend to short-termism. Although the IPA data does not record exactly how this growing range of digital channels was used – i.e. whether for short-term sales activation or long-term brand building – Figure 16 reveals a strong relationship between the extent of digital channel usage and the prosecution of short-term campaigns. So it is likely that a considerable proportion of digital channel usage is being harnessed to short-term sales activation (this is widely evidenced in written case studies).

The trend to short-termism cannot be attributed simply to the growth of online – it clearly has its roots in recession – but it has been fuelled by online and the questionable digital orthodoxy of the measurement of marketing success over short time scales.

> *Recent campaigns that made use of digital channels achieved stronger market share effects than those that did not.*

Figure 17

Greater use of digital channels up to a point increases market share effects

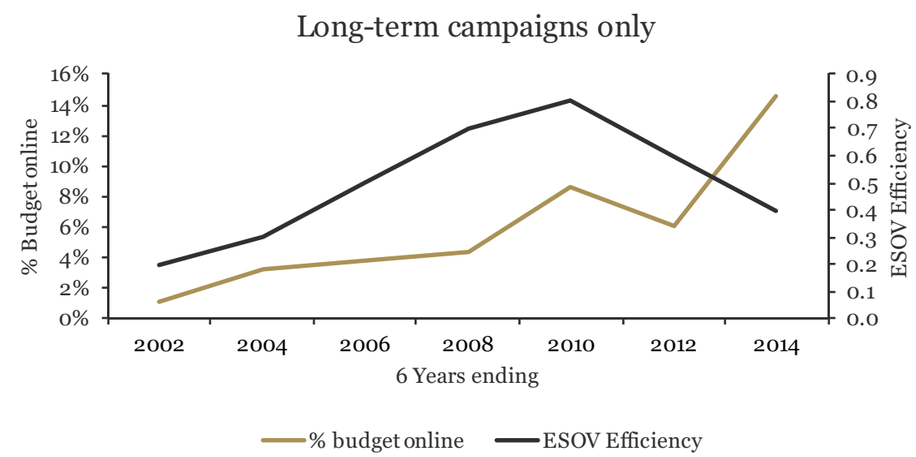


There is no suggestion that the use *per se* of digital channels might reduce long-term effectiveness. In fact the reverse is true: Figure 17 shows that recent campaigns that made use of digital channels achieved stronger market share effects than those that did not.

But it also shows that it is possible to over-commit to digital channels: market share effects (and other long term effects) appear to peak when three to four digital channels are in use. The percentage of case studies using more than four digital channels has risen rapidly since 2008 to around 30% – perhaps a suggestion of an overheated market for digital communications.

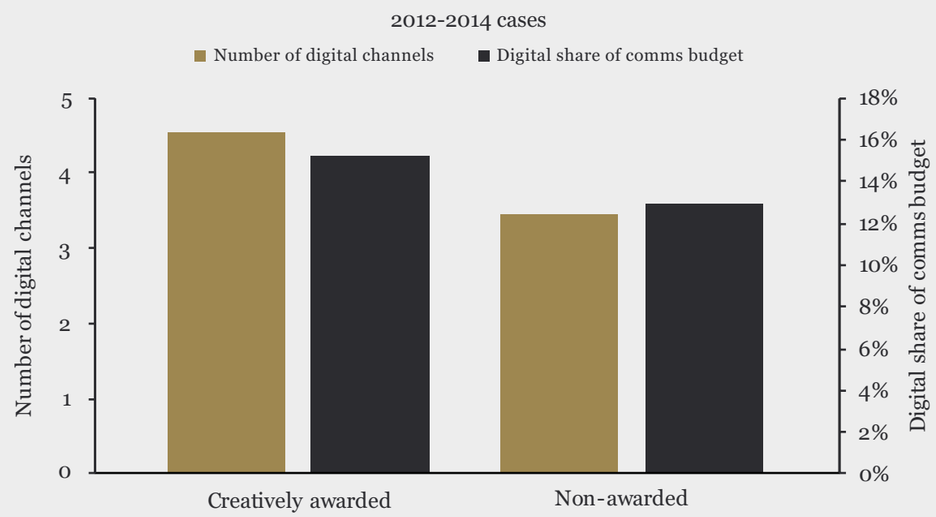
Figure 18

Long-term campaign efficiency does not appear to have benefitted from recent accelerating online budget allocation



There is some support for this hypothesis in the relationship between campaign efficiency and the share of communications budget spent online over time (Figure 18). To eliminate the complicating impacts of the growing number of short-term campaigns and of declining average budgets (ESOV), Figure 18 examines efficiency data for long-term campaigns only and reveals how efficiency for these peaked in the six-year period to 2010 as the growth of digital share of budget started to accelerate towards double-digit percentages. This would be consistent with a situation in recent years of online budget allocation exceeding an optimum level.

Figure 19
Creatively awarded campaigns are more strongly committed to digital channels

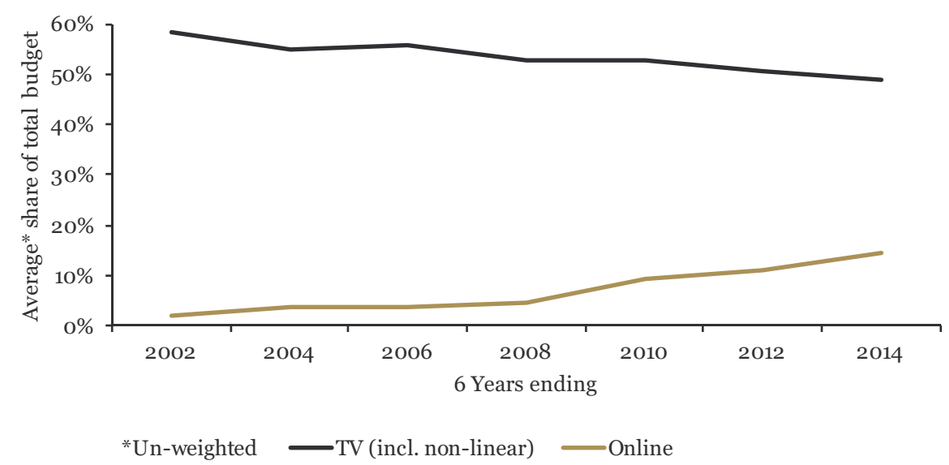


Awarded campaigns, on average, use almost 40% more digital channels.

This may not appear to have any immediate implications for creativity, but in fact it does. Creatively awarded campaigns have led the trend to usage of digital and a greater proportion of their budgets are allocated to it than non-awarded campaigns. Figure 19 shows that awarded campaigns on average use almost 40% more digital channels and allocate in proportional terms almost one fifth more of their budget to digital than non-awarded campaigns. So if the suggestion of the data that campaigns may be over-committing to digital is true, then it will be even more the case for awarded campaigns.

> *TV ads have been the source of the large majority (78%) of creative awards won by IPA campaigns, and remain so in recent years (64% of awards from 2010-14). So, for creatively awarded campaigns, the indefinite squeezing of TV budgets may not maximise the potential of creativity.*

Figure 20
Reduced TV share of budget has funded online growth



Much of the observed growth of digital channel usage has been funded by reducing the share of budget allocated to TV (Figure 20), which has fallen by nine percentage points over the period – this is despite the fact that the TV budget share includes non-linear on-demand viewing, which some would regard as 'digital'. However TV ads have been the source of the large majority (78%) of creative awards won by IPA campaigns, and remain so in recent years (64% of awards from 2010-14). So, for creatively awarded campaigns, the indefinite squeezing of TV budgets may not maximise the potential of creativity.

Case study

KitKat

2014

KitKat have had a history of major investment in TV advertising. In 2011 the brand started migrating budget to a major online initiative, reducing TV's strong share of the communications budget slightly from around 93% to 88%. This modest budget rebalancing saw an acceleration to an already healthy sales trend and perhaps provides some indication of the sensible limits to disinvestment in TV.

TV's share of budget fell from

93%

to

88%

Chapter 1

Key points

1. The global financial crisis has left a legacy of reduced budgets and greater short-termism.
2. These factors have been imposed more strongly on creatively awarded campaigns.
3. These factors also have a disproportionately greater detrimental impact on the effectiveness of awarded campaign than of non-awarded ones.
4. These factors have spurred the transfer of budget from the proven creative medium of TV to digital channels – possibly to an extent that is beyond optimal.

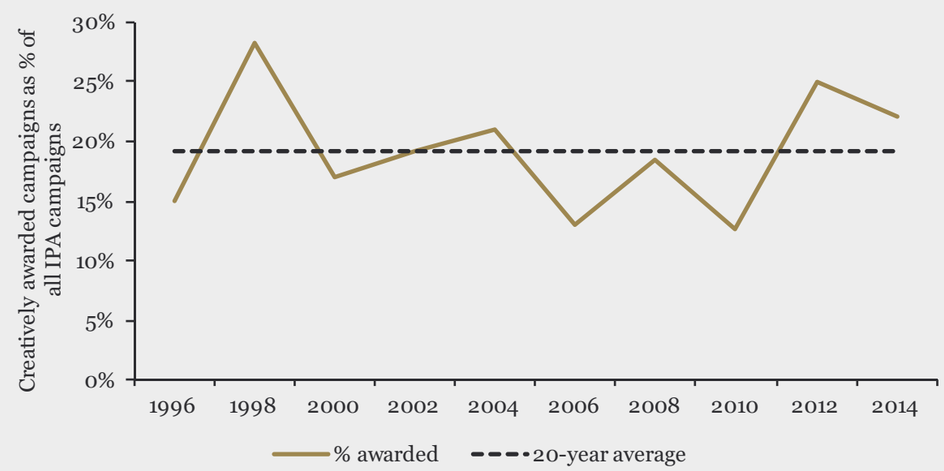
Trends in creative effectiveness

2

> *The proportion of IPA Effectiveness awarded campaigns that picked up major creative awards is an average of 19% over two decades – an astonishingly high proportion.*

The proportion of IPA Effectiveness awarded campaigns that picked up major creative awards recognised by the Gunn Report has remained fairly stable over the last 20 years (Figure 21).

Figure 21
The proportion of IPA campaigns that are awarded has remained stable



The average over two decades is 19%, an astonishingly high proportion, greatly in excess of mere chance, that is in itself an indication of the strong link between creativity and effectiveness. But this picture of relative stability hides some important changes to the nature of awarded campaigns and brands over this period.

2.1

Creative strategy

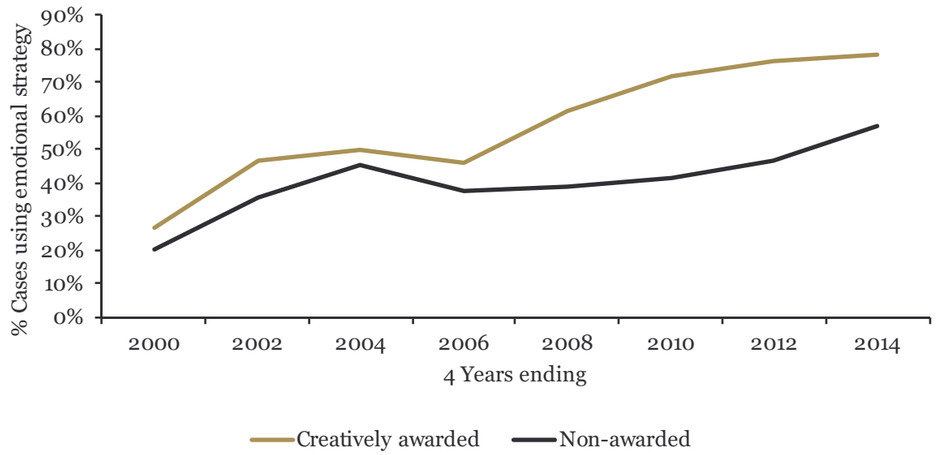
There are two very strong trends in creative strategy that are inconsistent with the growing short-termism of marketing, because they lead to campaigns that work most powerfully over the long term.

1 Emotions

The first of these is the growing use of emotional communications designed to influence how consumers feel about brands (rather than how they think about them).

Barry the platypus – an endearing and highly effective mascot for First Direct

Figure 22
Creatively awarded campaigns have led the trend to emotional strategies



Almost 80% of creatively awarded IPA campaigns are now primarily emotional in nature.

Figure 22 shows the general trend amongst effective campaigns towards emotional creative strategies, and that creatively awarded campaigns are very much ahead of the trend. Almost 80% of creatively awarded IPA campaigns are now primarily emotional in nature, versus almost 60% for non-awarded ones and 62% for all IPA campaigns.

Rational campaigns now account for just 12% of submitted campaigns and 0% of creatively awarded ones.

The dwindling number of IPA effectiveness case studies with primarily rational creative strategies is evidence in itself of the lower effectiveness of such campaigns over the long term: rational campaigns now account for just 12% of submitted campaigns and 0% of creatively awarded ones (the balance of campaigns are accounted for by complex campaigns with equal rational and emotional components). This trend is pro-effectiveness over the long term and is an important factor in the superior long-term effectiveness of creatively awarded campaigns. But the trend towards short-term campaigns in recent years tends to flatter the effectiveness of rational campaigns, because they perform best in such situations. So far, short-termism hasn't manifested itself in creative strategy, but it is likely that in time it will do so if unchecked. Such an eventuality would be a major setback for both creativity and long-term effectiveness.

"So far, short-termism hasn't manifested itself in creative strategy, but it is likely that in time it will do so if unchecked. Such an eventuality would be a major setback for both creativity and long-term effectiveness."

Case study

Lifebuoy

2014

There can be few more moving examples of emotional advertising than the 190-second online video depicting the joy of a father in rural India whose son has just reached five years against the odds. Highlighting the life-threatening danger of poor infant hand hygiene, this all-digital medicated soap campaign achieved impressive philanthropic and commercial results on a modest budget.

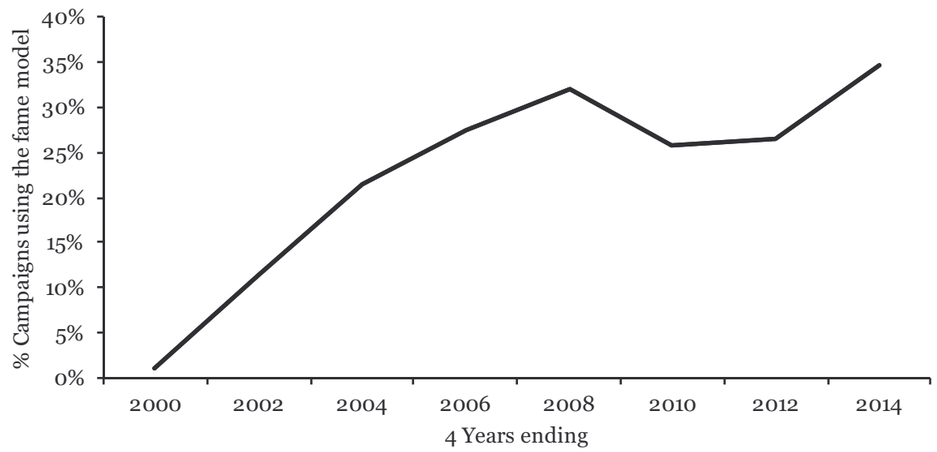
> *Fame campaigns are the most efficient and effective across most long-term measures.*

2 Fame

The second trend in creative strategy that is inconsistent with short-termism, is the growth of the 'fame' model of advertising.

In part, the growth of emotional campaigns has been driven by the rapidly growing presence of 'fame' campaigns in the IPA Databank: campaigns that create buzz around the brand, encouraging online and offline conversations. These campaigns are, almost without exception, essentially emotional in nature and therefore tend to work more powerfully over the long term. Fame campaigns are the most efficient and effective across most long-term measures and so naturally tend to show up in force in effectiveness awards competitions. But, like emotional campaigns in general, they under-perform rational campaigns at short-term sales activation, and so run counter to the trend of short-termism.

Figure 23
The fame communications model has grown strongly



With the exception of a brief hiatus coinciding with the global financial crisis, fame campaigns have relentlessly increased their share of effectiveness case studies to around a third in 2014 (Figure 23).The emotional nature of successful fame campaigns is sometimes questioned, but it is a strong finding not only of the IPA Databank but also of global effectiveness databases. Consumers very rarely generate large-volume buzz around brand facts or even deals. It is surprise, especially if it is powerfully emotionally engaging, that generates the desire to share, which underlies buzz.

It is surprise, especially if it is powerfully emotionally engaging, that generates the desire to share, which underlies buzz.

Creatively awarded campaigns are usually surprising because they are original – an important criterion for being awarded. They are also usually emotionally engaging and so, unsurprisingly, creativity features as a major driver of fame. It is not the only driver of fame, but as the following review of case studies shows, creativity often works in tandem with other drivers to amplify their effects. From both IPA and global fame case studies, it is possible to identify a number of alternative but often overlapping drivers of fame effects:[8]

- **Creativity (i.e. originality)**
- **Co-creation (inviting consumers to contribute to the campaign)**
- **Breaking rules and taboos of the category (often being 'naughty')**
- **Association with a motivating or provocative social cause that adds a new dimension to the brand**
- **Unexpected juxtapositions of idea and medium (seeing ads in unusual contexts)**
- **Unexpected use of celebrities (in a way that is surprising)**
- **Extreme humour**

Many of these drivers of fame often feature in creatively awarded case studies because they are expressions of originality, so fame and creativity are inevitably inter-linked.

8 'The Creation of Buzz and Fame', Field P, *Admap*, April 2008, Issue 493, pp. 14-16

The link between creativity and fame

The following campaigns are all creatively awarded and illustrate the inter-linked nature of fame drivers and creativity.

Case study

McDonald's

2014

Co-creation

McDonald's invited consumers to share their own London 2012 content, whilst capturing live footage of visitors to The Games. User-generated content was incorporated rapidly into subsequent ads, bringing the campaign a 'bottom-up' responsiveness to the events of the Olympics. A final TV ad celebrated the best of consumer-generated content.

Case study

Axe

2012

Breaking rules and taboos

The constant requirement to recruit a new cohort of young men to the brand has spurred many highly creative commercials over the years, all pushing the brand promise of seduction to new highs. Deliberately playing with biblical symbolism, Axe/Lynx chose fallen angels as its proof of effect in this raunchy and highly effective 2011 ad. The wicked idea was further enriched across digital channels to build the fame effect.

Case study

Gillette

2014

Provocative social cause

Partnering with the Movember men's health charity wasn't an obvious fit with a shaving brand, but a trimming product – the Proglide Styler - provided the rationale for celebrating the facial hair rather than the shave. The cause provided the inspiration for some memorable and very effective advertising in both philanthropic and commercial terms. The lead media of print and radio fitted best with the creative idea and amply demonstrate their ability to drive fame: 11 million social media impressions are testament to that.

Case study

IKEA

2014

Unusual media juxtapositions

In Australia, IKEA was finding that its catalogue was an increasingly invisible sales driver in people's homes and often discarded early. An elegant idea, of paying prospects monthly 'rent' (in the form of vouchers) to keep the catalogue, provided the solution. A rich multi-channel campaign expressed the unusual idea in unusual ways for each channel, especially print and radio. A powerful idea that works across the brand/activation divide, the campaign generated impressive short-term effects.

Case study

Snickers

2012

Unexpected use of celebrities

The use of celebrities *per se* does not guarantee fame, as many Swiss watch campaigns illustrate. But used in surprising ways, as Snickers did, celebrities can add the all-important talk value to an aspiring fame campaign. Brand salience surged off the back of the buzz generated by the campaign, the commercial success of which is discussed later in this report.

Case study

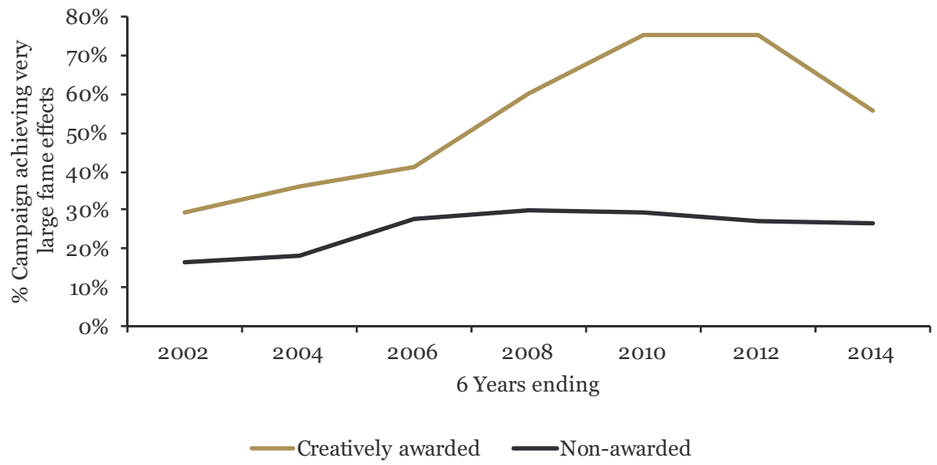
Fosters

2014

Extreme humour

Humour is often used in advertising but seldom with the panache to drive fame. The Fosters campaign made Australian humour into a talking point for the brand and the basis of its emotional appeal to drinkers. Partnerships with comedy events and programming further strengthened the buzz around the brand. 7% growth over three years in a declining market took the brand to market leadership.

Figure 24
Awarded campaigns are much more likely to achieve strong fame effects



Around
60%
of creatively awarded campaigns generated strong fame effects, compared to less than 30% of non-awarded campaigns.

The strong association of creativity with fame effects (online and offline buzz) is illustrated in Figure 24.

However, the chart also reveals the damaging impacts of the trend to short-termism and lower ESOV that especially afflict creatively awarded campaigns. Short-term campaigns generate weaker fame effects than long-term ones, because fame effects take time to build. And fame effects need priming with adequate ESOV if they are to gain maximum momentum.

This may appear very recent but for reliability this data has been aggregated into six year periods, so in fact the decline started in 2010, at roughly the same time as short-termism took off and ESOV turned negative. The impact of this on effectiveness will be seen in the next section of this report.

> *"The strong implication of the data is that any putative fame 'overcrowding' is not a significant cause of the observed reduction in fame effects."*

It is important to consider another possible explanation for the decline in fame effects: the growing popularity of the fame strategy (which has doubled over the decade, from 14% to 30% of IPA campaigns in the period to 2014). Logically, the quest for fame ought to be a competitive activity – consumers will probably only share their enthusiasm for a limited number of campaigns at a time. Whilst there is no evidence that fame effects have yet become a zero sum game, it is possible that the more fame campaigns there are in play, the harder it becomes for others to achieve fame effects at the same time. Because of their association with effectiveness, fame campaigns are likely to be over-represented amongst IPA cases. So their incidence amongst campaigns in general is likely to be somewhat lower than 30%, and the sense of growing fame 'overcrowding' to be lower in reality than implied by the IPA data.

In fact, there is no evidence that fame 'overcrowding' is responsible for the reduction of fame effects. There is a suggestion in the data that growing short-termism doesn't explain all of the observed decline in fame effects: even amongst long-term awarded campaigns there was a modest fall in fame effects from 74% in the period ending 2010 to 67% in the period ending 2014. However, the average ESOV reported by these same long-term campaigns fell quite dramatically over the same period from +9% to -6%, which is a much more likely explanation for the fall than overcrowding. Also, the reduction in fame effects amongst all long-term campaigns was more modest than amongst awarded ones, which is consistent with their much smaller loss of ESOV, from +9% to +6%. So the strong implication of the data is that any putative fame 'overcrowding' is not a significant cause of the observed reduction in fame effects. Short-termism and reduced budgets remain the prime suspects.

2.2

Media usage

The most important change in the channel usage of campaigns has already been discussed: the shift to online from traditional media.

Figure 25
Online share of budget has grown strongly amongst IPA campaigns

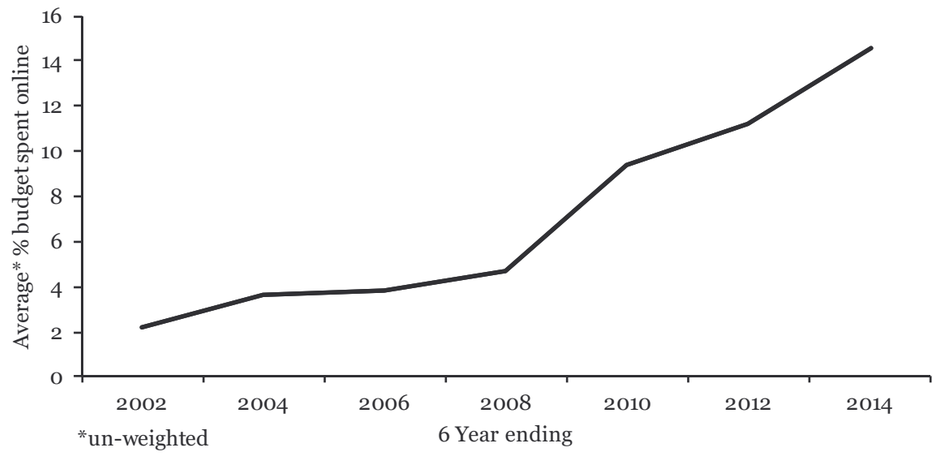
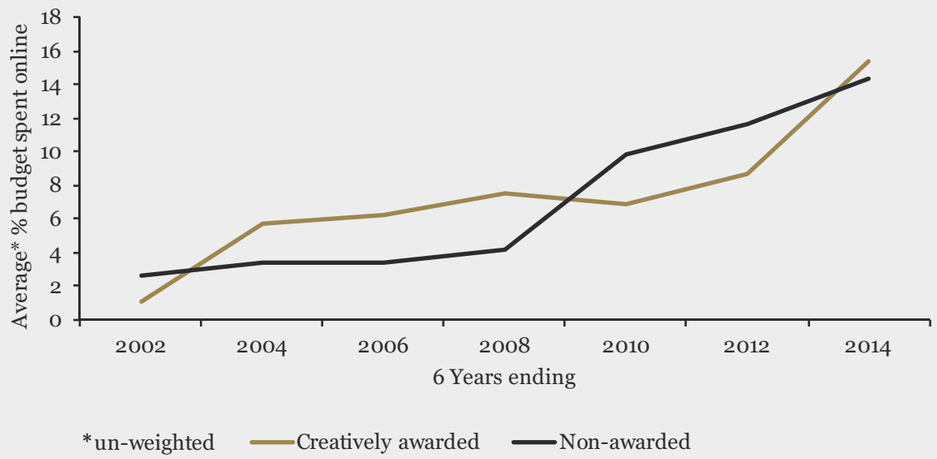


Figure 25 shows in larger scale than was shown earlier in Figure 20 how the average share of budget of IPA cases that was spent online has grown strongly in recent years. In part this may be linked to the trend to short-termism: online channels have championed short-term selling and promised greater short-term return on investment. A ten-percentage point rise in six years indicates a major switch in focus towards online. It may appear that, at around 15% over the latest six year period, the IPA Effectiveness Awards brands' share of spend online lags the universe of all marketing communications expenditure, which is reported to be around 25% over the same period.[9] This may in fact not be the case: significant amounts of on-going digital expenditure for these brands are likely to fall outside the reported campaign budget – especially for search. The apparent under-reporting of search expenditure by IPA case study authors approximately accounts for the discrepancy between their overall digital share of expenditure and the higher reported UK average.

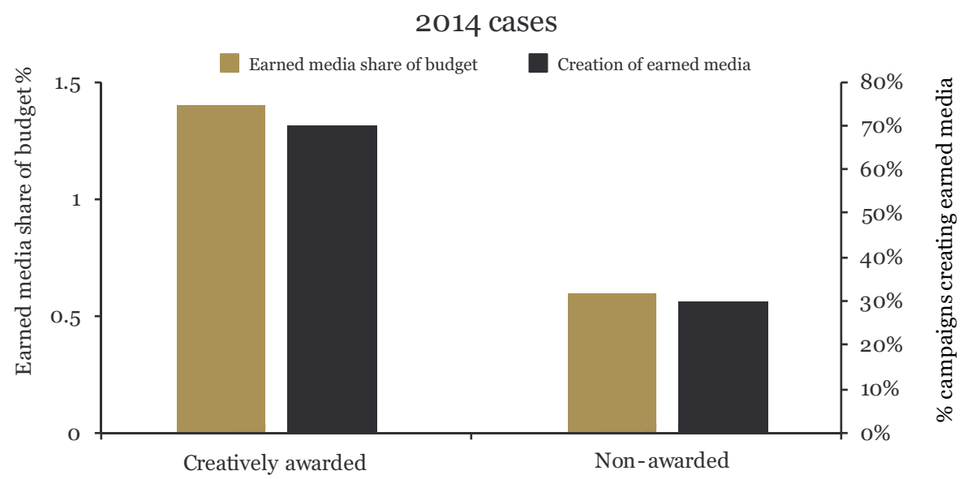
9 Digital Adspend H1 2015, IAB/PWC and Warc

Figure 26
Online budget share growth is similar across awarded and non-awarded campaigns



In fact there hasn't been a great deal of difference between awarded and non-awarded campaigns' level of budget commitment to online over the whole study period, as shown in Figure 26 averaged over a six-year period. There was, however, a sharp shift in the single year of 2014 for creatively awarded cases, which jumped ahead of non-awarded campaigns by four percentage points: 20% vs. 16%. It is too early to tell whether this is the beginning of a sustained trend towards even greater use of online by awarded campaigns.

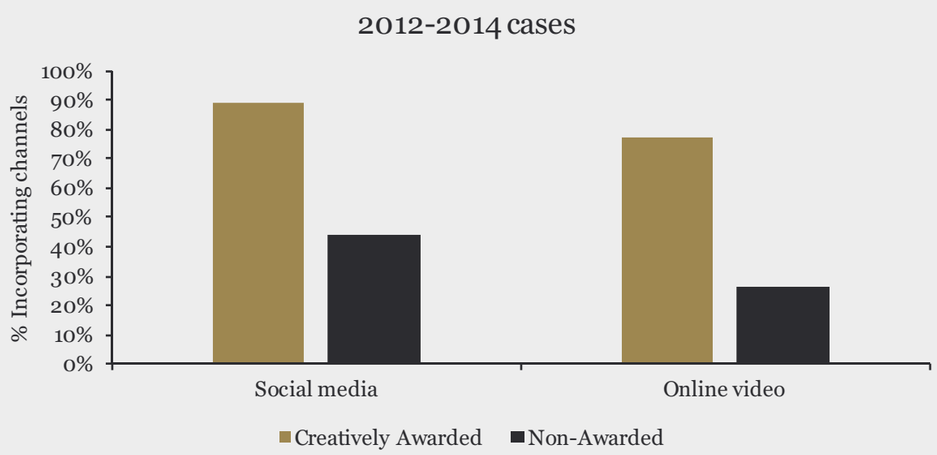
Figure 27
Awarded campaigns create much more earned media



However, Figure 26 hides some important differences between how awarded and non-awarded campaigns make use of online channels. Figure 27 reveals that one highly visible difference is between the creation of earned media. Figure 27 shows the percentage that created earned media and the resources allocated to achieving it, which are between two and three times greater for awarded campaigns – this data is only available for 2014.

This data illustrates one of the many important benefits of creativity: that it provides the compelling content necessary to drive earned exposure.

Figure 28
Awarded campaigns make much greater use of social media and online video

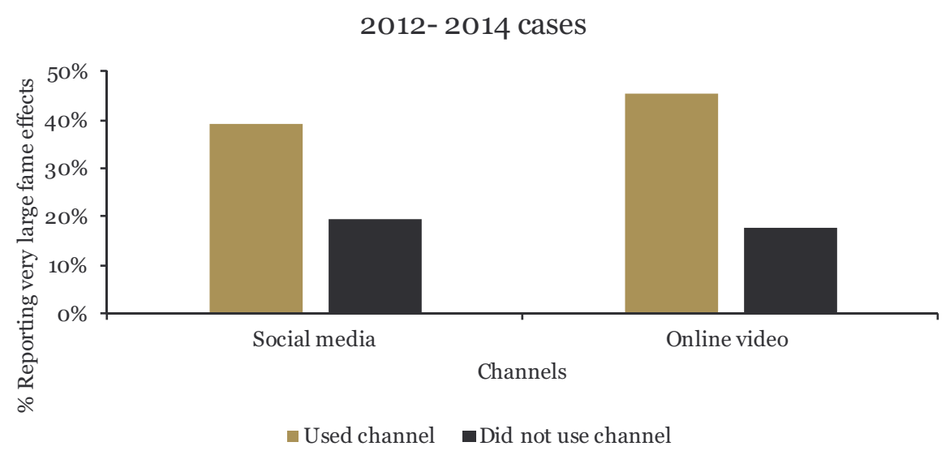


Social media and online video use is much higher for awarded campaigns.

This finding is also reflected in two other highly visible differences between awarded and non-awarded campaigns: their use of social media and online video, which are also much higher for awarded campaigns (Figure 28). Highly creative campaigns are heavily shared online and advertisers have learnt to exploit their creative assets further with content on social media and online video sharing sites.

> *Social media and online video usage are by a long way the most conspicuous differences between awarded and non-awarded channel usage.*

Figure 29
Social media and online video help drive fame effects



Social media and online video usage are by a long way the most conspicuous differences between awarded and non-awarded channel usage – there are few other major differences. Indeed, the growth of fame effects for creatively awarded campaigns up until 2010 was in part driven by the rapid growth of social media & online video usage since 2007/8. Figure 29 shows the strong relationship between fame effects and use of these channels.

One other difference between awarded and non-awarded campaigns lies in usage of TV. The greater budget allocation of awarded campaigns to social and online video appears to come from reduced TV expenditure. This raises an additional threat to the current and future impact of creativity, especially with restricted budgets: a big boost to the efficiency of highly creative campaigns has come from organic reach in social media. The new social media algorithms, operating since the 2014 case study campaigns ran, are making organic reach increasingly difficult to achieve, so brands are now forced to pay for social media reach that once was free.

This budget grab may further undermine investment in the core channels used to prime the fame effect (invariably video-based and usually TV) – which, if overdone, will further harm effectiveness. A more hard-nosed commercial evaluation of paid social reach for creative campaigns will become advisable – their in-built shareability opens up alternative channel options to paid social for driving fame. Less creative campaigns will struggle to exploit alternatives.

> *“The greater budget allocation of awarded campaigns to social and online video appears to come from reduced TV expenditure.”*

Creativity drives sharing

Volkswagen

2012

VW’s creative tour de force during the Superbowl generated 1 million Facebook impressions per day and 50 million YouTube views.

Snickers

2012

Snickers ‘Game’ commercial earned 400 million online impressions in the USA.

John Lewis

2012

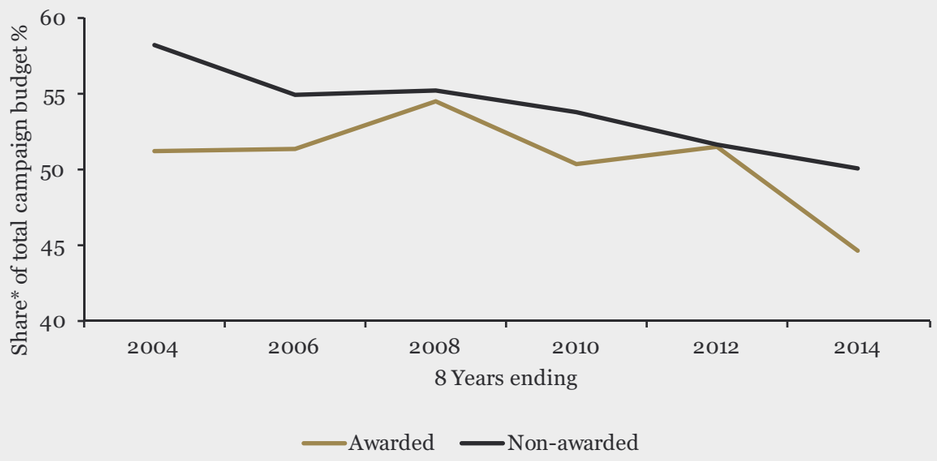
John Lewis achieved 4 million YouTube views of its 2011 Christmas commercial and 61% of people who had seen the ad claimed to have discussed it with friends.

Mattessons

2014

Mattessons achieved 5 million organic Facebook impressions and 3.2 million YouTube views.

Figure 30
TV share of campaigns budgets has fallen for awarded and non-awarded campaigns



Social channels are not the key primers of the fame effect: 90% of creatively awarded campaigns used TV.

The role of TV as a primary driver of fame is sometimes questioned in the era of social media, so it is important to examine how this might have changed for awarded campaigns. The data suggests that social channels are not the key primers of the fame effect: 90% of creatively awarded campaigns used TV. Although the volume of data from 2012-14 is insufficient to produce statistically reliable results, the strong suggestion of the data is that for creatively awarded campaigns, those that used social media without TV, are very considerably less effective than those that used social in conjunction with TV.

TV continues to be allocated around 45% of the total communications budget of creatively awarded campaigns.

Moreover, whilst it is also true that TV becomes less effective for creatively awarded campaigns without the use of social media, it still retains a level of effectiveness that is greater than of social media without TV. The increasing availability and viewing of TV online can only strengthen this synergy.

So it is not surprising that, despite the trend to short-termism, usage of TV (linear and non-linear) by creatively awarded campaigns has only fallen slightly in recent years, and still exceeds 80%. Nor is it surprising that TV continues to be allocated around 45% of the total communications budget of creatively awarded campaigns (Figure 30) - though it is indicative of the link between effectiveness and TV usage that this is almost twice the share of total adspend that TV accounts for in the UK. Nevertheless this is a non-trivial decline from its peak of around 55% of the budget, and is lower than for non-creative campaigns (50%). It is possible that declining commitment to TV is having an impact on the effectiveness of creatively awarded campaigns.

Case study

Sainsbury's

2014

The Sainsbury's Christmas 2013 campaign competed with a number of less creative campaigns all aiming to 'own Christmas'. This case study reveals how the campaign massively out-achieved rivals in terms of social success and resulted in Sainsbury's best ever Christmas. The combined UK reach of all campaign-generated social conversations was 11.5 million.

The combined UK reach of all campaign-generated social conversations was

11.5m.

> *"The most effective creatively awarded campaigns are the ones that used TV in conjunction with social media in an integrated approach."*

Conclusion

The key conclusion of the data is that the most effective creatively awarded campaigns are the ones that used TV in conjunction with social media in an integrated approach. This is because of the fame 'multiplier effects' of this conjunction that occur with highly creative campaigns. But it is highly revealing to note that the effectiveness of non-awarded campaigns that used social media is little different from those that did not use it: the clear implication of this is that creativity is a powerful if not essential driver of social success. This mirrors a finding of a recent analysis of social campaigns entered into the Warc prize for social success.[10]

10 'Seriously Social 2015' http://www.warc.com/Topics/SeriouslySocial2015.topic

2.3

Cross-channel creativity

It was observed earlier that campaigns using multiple channels (up to a point) are generally more effective than campaigns using limited numbers of channels.

Figure 31
Creatively awarded campaigns have led the trend to multi-channel usage

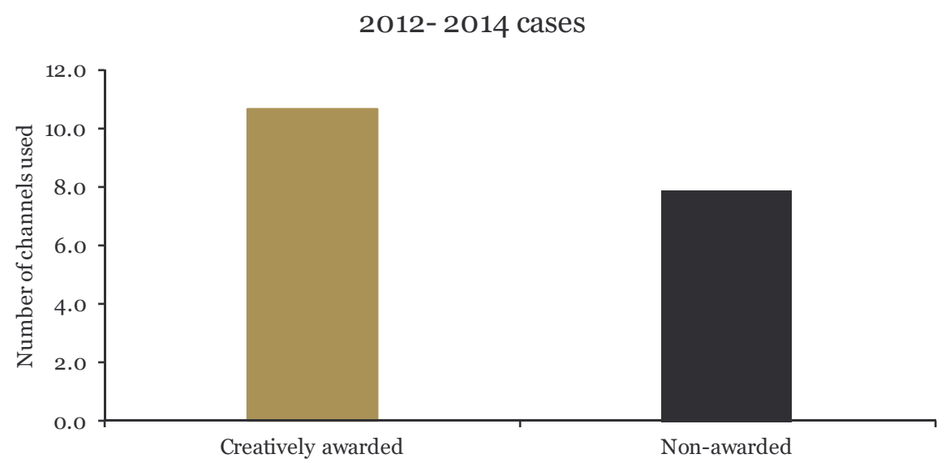
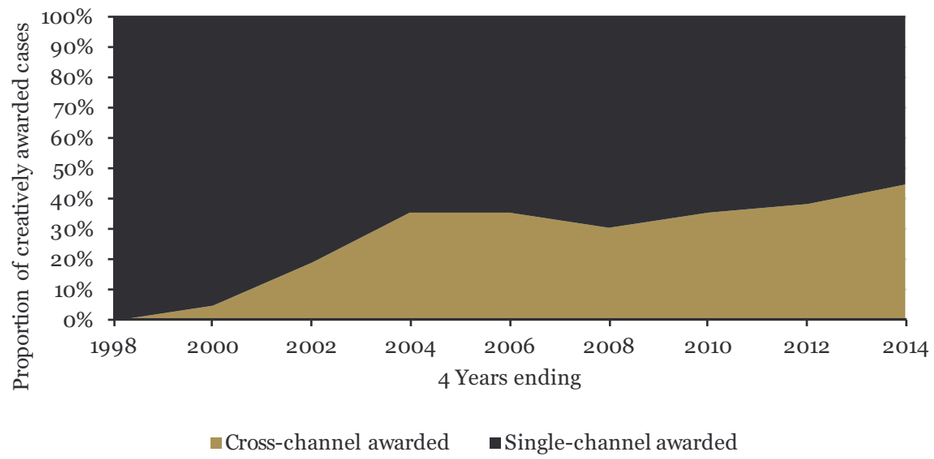


Figure 31 shows how creatively awarded campaigns are ahead of the trend towards multi-channel (online and offline), so they stand to benefit more from the multiplier effects of multi-channel usage.

Figure 32
Cross-channel creativity has grown amongst creative awards classes



The general trend to rich multi-channel campaigns is reflected in the nature of creative awards classes conferred by leading creative competitions. A growing proportion of awards classes are for integrated ideas that work across channels (referred to as 'All Gunns Blazing' in the Gunn Report), rather than for single channel ideas such as a highly creative TV spot. This is also reflected in the composition of the creatively awarded campaigns in the IPA Databank (Figure 32). The percentage of campaigns that picked up cross-channel creative awards (e.g. 'Titanium Lions' at Cannes) or separate awards across more than one channel has steadily risen from zero to over 40%: these campaigns are referred to as 'cross-channel awarded' in this report.

Cross-channel creativity brings certain important enhancements to effectiveness – the next section of this report examines these enhancements by comparing the effectiveness of single-channel with cross-channel creatively awarded campaigns over different timescales.

Case study

Doritos

2014

The Doritos campaign was not built around a conventional campaign idea. To cement the role of the brand in the social gatherings of a new generation of consumers, a band was created – the Mariachi Doritos – and sent on tour (virtually and in reality) to parties and events. The campaign picked up cross-channel creative awards for its highly versatile idea. Supported in online and offline media the band toured for two years, covering popular party music tracks in a tongue-in-cheek style. Volume sales rose 9% over the period, worth an additional £12.6m.

Case study

Axe

2012

Although launched via a powerful TV commercial, the Fallen Angels idea was bigger than that. Multi-awarded for its cross-channel creativity, the campaign idea worked across every conceivable communications channel.

2.4

Objectives: Planning for creativity

It is sometimes asserted that the achievement of fame effects or buzz is good fortune, but cannot be planned for.

Figure 33
Fame as an objective is becoming more strongly linked with creativity

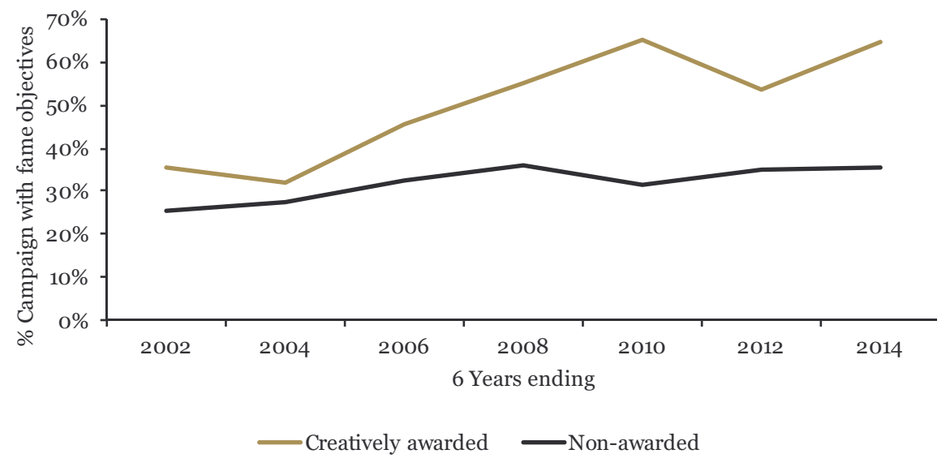


Figure 33 suggests that this is not true. The growing ability of creatively awarded campaigns to achieve fame is partly driven by their growing pursuit of it as an objective. Fame as an objective has implications for the nature of the creative idea as well as the way it is executed across channels.

Fame is the most common objective for creatively awarded campaigns.

The adoption of fame as a campaign objective is by a considerable margin the soft objective most likely to lead to a creatively awarded campaign: no fewer than 29% of such campaigns picked up a major creative award at the level recognised by the Gunn Report. It is also the soft objective associated with the greatest number of business effects. So fame can be planned for, and doing so is good for creativity and effectiveness.

The fact that fame is the most common objective for creatively awarded campaigns is therefore an important building block of their superior effectiveness. It is interesting to contrast this with the most common objective for non-awarded campaigns: differentiation. Differentiation tends to imply a focus on communicating some feature or benefit of the brand, as opposed to fame, which is primarily concerned with raising the salience of the brand through surprising and emotive associations. The extensive market analysis undertaken by Byron Sharp and his colleagues at the Ehrenberg-Bass Institute[11] has found that salience is a more effective campaign outcome than differentiation.

11 *How Brands Grow* Sharp B, OUP, 2010

Less than 10% of creatively awarded campaigns pursue loyalty objectives compared to around 25% of non-awarded ones.

This is mirrored by the IPA Databank, which suggests that differentiation is amongst the least effective campaign objectives. So this is another important reason why creatively awarded campaigns are more effective than non-awarded ones. But inconveniently in the long term, differentiation strategies do perform strongly at short-term activation effects. So the trend to short-termism might be undermining the strategic foundations of a great deal of advertising creativity.

Another strategic area of superiority of creatively awarded campaigns lies in the pursuit of loyalty – or rather the non-pursuit of it. Less than 10% of creatively awarded campaigns pursue loyalty objectives compared to around 25% of non-awarded ones. The pursuit of loyalty is a declining feature of IPA case studies because of its association with low effectiveness and the work done by Ehrenberg-Bass to establish this. Although this is now becoming more widely known, there is cause for concern here too: loyalty strategies can produce cost-effective short-term activation effects, but the true cost of this is long-term ineffectiveness.

> *"The adoption of fame as a campaign objective is by a considerable margin the soft objective most likely to lead to a creatively awarded campaign."*

Case study

Snickers

2012

The Snickers campaign benefitted from the pattern of success of previous advertising for the brand, which demonstrated that fame drove penetration and sales. So the "You're not you when you're hungry" campaign set out to court fame. A multiple creative award-winning campaign, Snickers demonstrates how fame as an objective can help spur great creative work and, of course, the effectiveness results that follow.

> *"Profitability is not significantly improved through short-term transient campaign effects."*

A general trend amongst IPA case studies has been a growing focus on profit growth as an objective, especially amongst creatively awarded campaigns. However, in the context of increasingly short-term campaigns and a decline in focus on long-term market share, this is perhaps a naïve objective as Figure 7 (page 31) earlier in this report suggests. There is certainly no evidence that the profitability of creatively awarded campaigns (or indeed of non-awarded campaigns) has been improving in recent years. Again, a key lesson about timescales appears to be being ignored here: profitability is not significantly improved through short-term transient campaign effects.

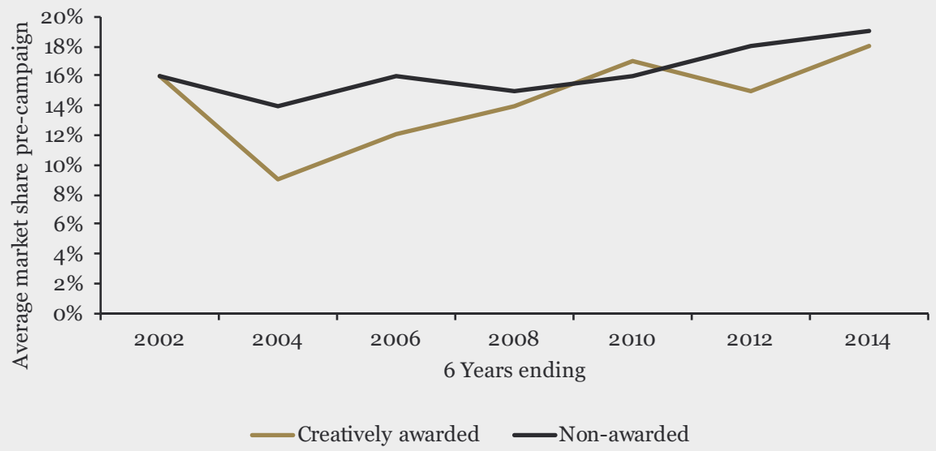
2.5

Other trends affecting creative effectiveness

Other factors that might affect the relative success of creatively awarded and non-awarded campaigns are the size, position in market and premium status of the brands: bigger brands, those in dominant market positions and those with premium pricing usually have marketing advantages.

The following charts show that in all these areas, not only do creatively awarded campaigns have no advantage, but also the trend has not been in their favour either.

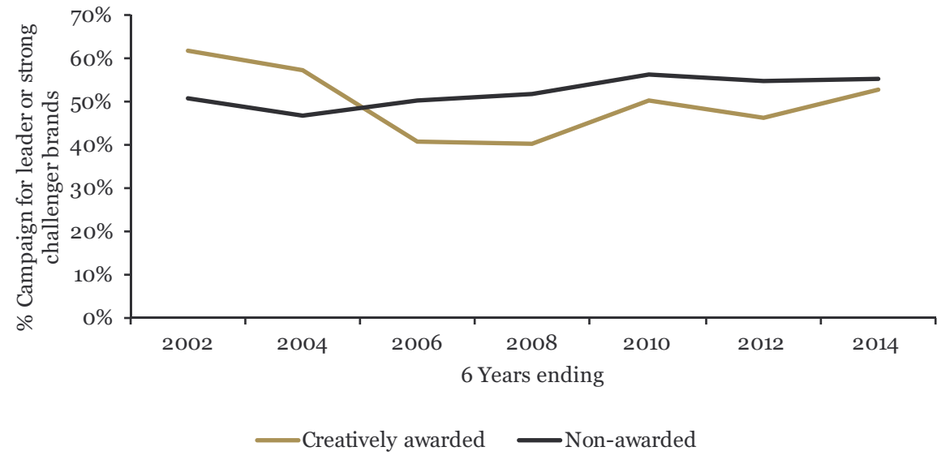
Figure 34
Creatively awarded campaigns are associated with slightly smaller brands



Creatively awarded brands have had consistently smaller market share positions than non-awarded brands.

Figure 34 reveals that creatively awarded brands have had consistently smaller market share positions than non-awarded brands (with a minor exception in the period to 2010). It also shows that, whilst there appears to be a gradual trend to slightly larger brands in the Databank, this has not altered the relative positions of awarded and non-awarded brands.

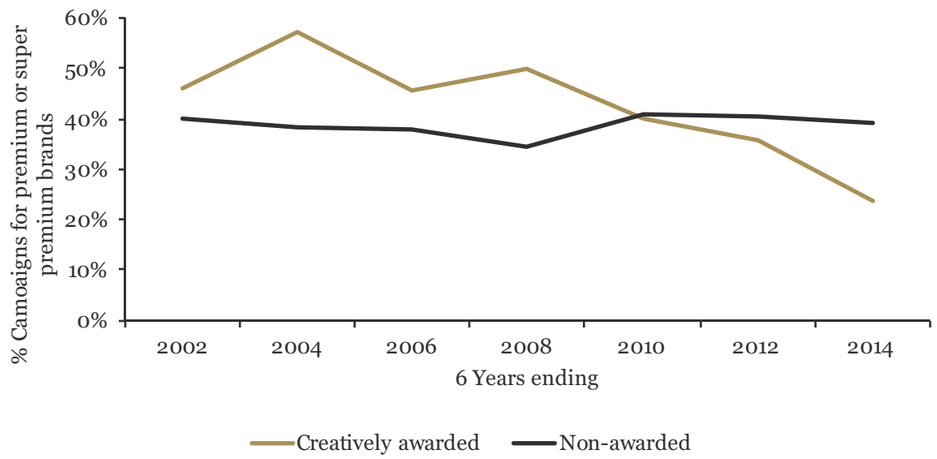
Figure 35
Creatively awarded campaigns are associated slightly less strongly with more dominant brands



Consistent with this market share picture is the relative market position of awarded and non-awarded campaigns (Figure 35). Awarded campaigns have, for the last decade, been consistently less likely to be market leaders or strong challenger brands. As generally lesser players in their categories, they would have suffered a marketing disadvantage over this period.

> *"Awarded campaigns have, for the last decade, been consistently less likely to be market leaders or strong challenger brands."*

Figure 36
Creatively awarded campaigns have become less associated with premium brands



In terms of premium status, awarded campaigns have increasingly over the last decade been associated with less advantaged brands (Figure 36). Up until the period to 2010, awarded campaigns were slightly more likely to enjoy premium status, but in 2010 the position reversed and subsequently awarded campaigns have become considerably less likely to be drawn from premium status brands. Premium brands tend to have higher margins to fund marketing and so have an advantage. This drift to non-premium status may have contributed to the erosion of ESOV observed for creatively awarded campaigns.

Chapter 2

Key points

In addition to working in the face of even more acute and unhelpful short-term pressures and with even more limited budgets, compared to non-awarded campaigns, **creatively awarded campaigns have had to:**

1. Operate despite the inherently weaker short-term effectiveness of their characteristic emotional and fame *modus operandi*.
2. Cope with significant disinvestment from the medium that has been at the core of their effectiveness: TV.
3. Depend increasingly on earned media to make good the budget short-fall.
4. And manage the effectiveness disadvantages of their smaller size, weaker market position and more likely non-premium status.

The key development in this struggle has been 'cross-channel' creativity – integrated ideas designed to work across channels and across the brand-activation divide. The fourth section of this report examines whether this formidable struggle is being won or lost.

3

Creativity and business success

> *A powerful way to strengthen activation effects is to strengthen the brand, which takes time and investment.*

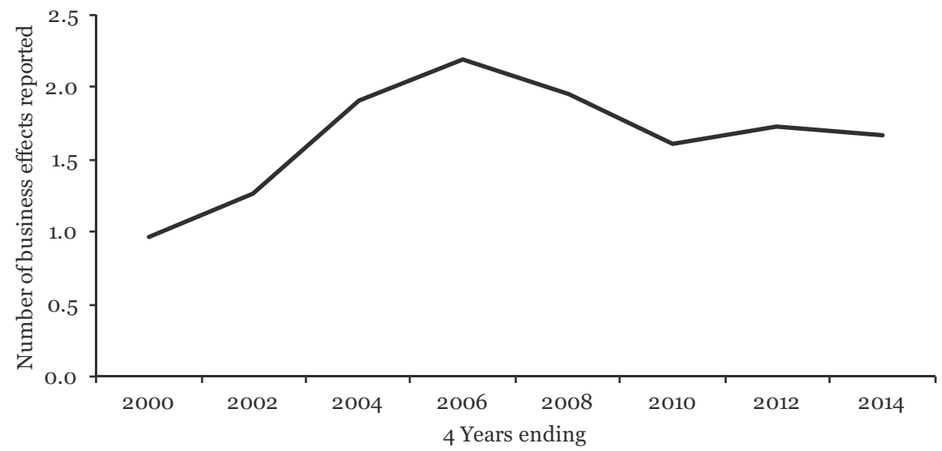
In the light of the circumstantial and strategic pressures on creativity highlighted earlier, it would be surprising if there had not been a significant impact on the observed benefits of creativity in recent years.

This is so, but in fact the effects extend beyond just the most creative campaigns: the net effect across **all** campaigns has been a loss of effectiveness and efficiency in all important business respects, including the generation of short-term sales. Amongst IPA campaigns, and almost certainly amongst advertising in general, long-term effectiveness is being sacrificed in pursuit of budget reductions and short-term sales – and on a very large scale. As has been shown, this is self-defeating across all time scales: a powerful way to strengthen activation effects is to strengthen the brand, which takes time and investment.

3.1

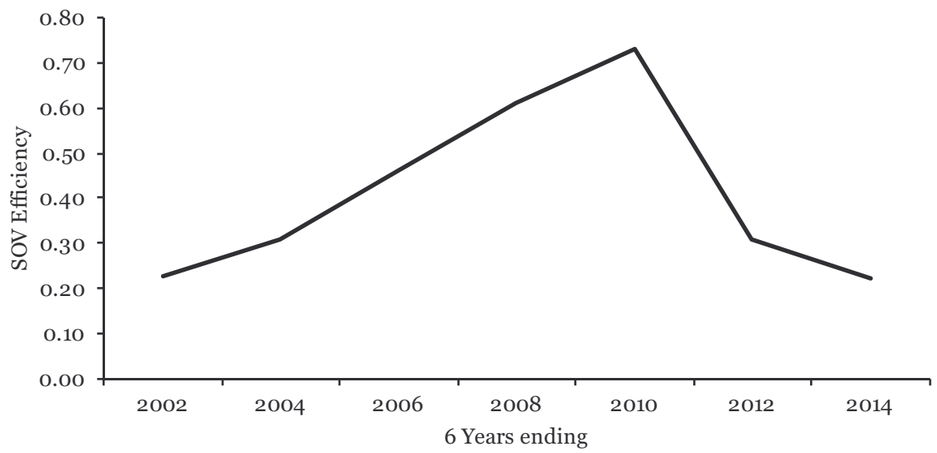
Business success across all campaigns

Figure 37
Effectiveness levels of IPA campaigns peaked in 2006



Effectiveness levels amongst all IPA case studies have begun to fall, having peaked after a period of strong growth in 2006, the awards year before budgets (ESOV) started to fall and the onset of the global financial crisis (Figure 37).

Figure 38
Efficiency levels of IPA campaigns have fallen sharply



The effectiveness loss cannot be entirely blamed on budget cutting: Figure 38 shows that efficiency has also fallen since it peaked around the same time (the data has to be aggregated over a slightly longer time period of six years for reliability).

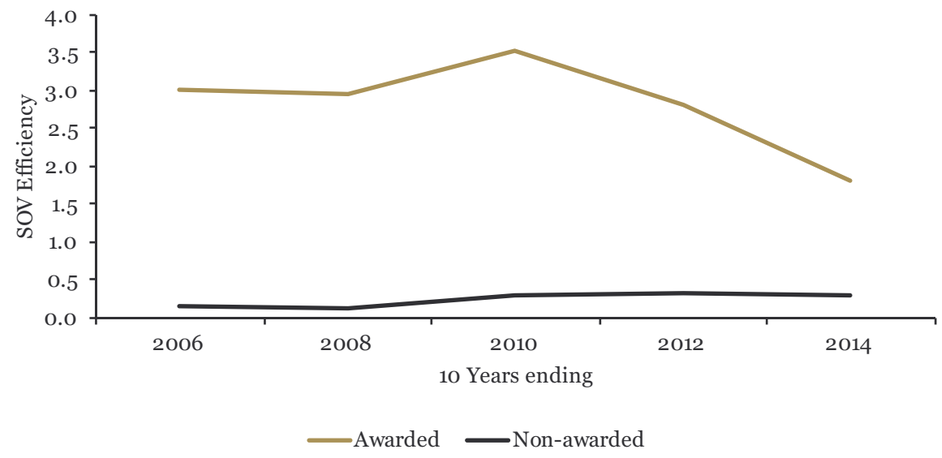
This is a worrying finding that can only be explained by the combination of short-termism and the growing number of campaigns with sub-maintenance threshold budgets. Most of the impressive efficiency benefits, brought about in large part by the growth of digital up to the 2006-10 period, appear to have been thrown away.

“Most of the impressive efficiency benefits, brought about in large part by the growth of digital up to the 2006-10 period, appear to have been thrown away.”

3.2

Creative efficiency

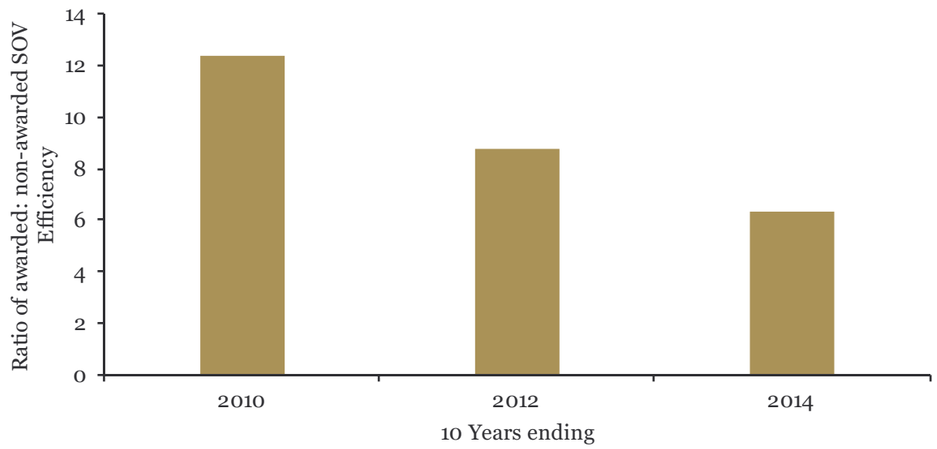
Figure 39
The efficiency of awarded campaigns has almost halved



The impact of this double-whammy of destructive developments is most clearly visible in the falling levels of efficiency recorded by creatively awarded campaigns. The damage is worse for awarded campaigns because their budgets have fallen further and they are more susceptible to the pressure of short-termism, as has been shown. For the first time in this study, the SOV efficiency of creatively awarded campaigns has significantly fallen, by almost a half (Figure 39). Non-awarded campaigns have suffered less, but have also fallen by around 10% from their peak.

> *For the first time in this study, the SOV efficiency of creatively awarded campaigns has significantly fallen, by almost a half.*

Figure 40
The efficiency multiplier of awarded campaigns has halved

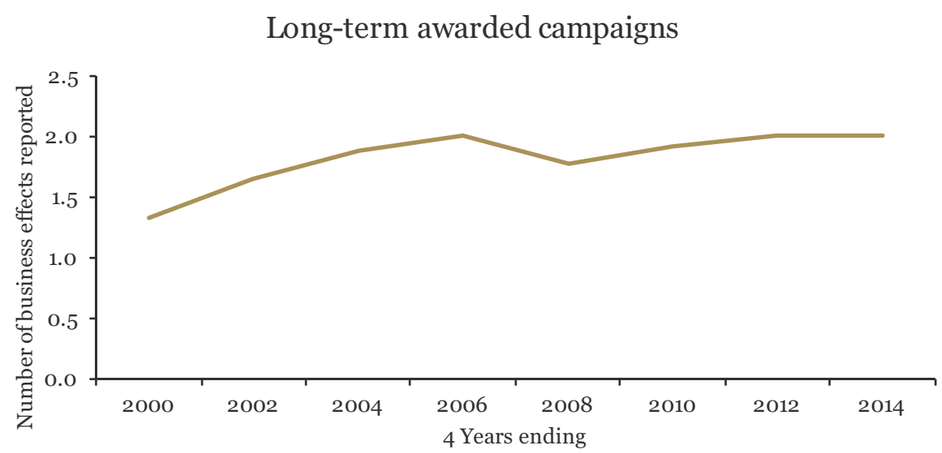


Of course, creatively awarded campaigns remain considerably more efficient than non-awarded ones, but the advantage across all awarded campaigns has narrowed. The efficiency multiplier of all awarded campaigns over non-awarded ones has fallen from around 12 in the decade to 2010 to just over 6 in the decade to 2014 (Figure 40).

3·3 Creative effectiveness

But is it correct to lay much of the blame for this deterioration on the growing proportion of short-term campaigns? Because of the declining proportion of long-term awarded campaigns, there is not yet sufficient data to be certain whether the efficiency of those campaigns has suffered.

Figure 41
Long-term campaign effectiveness is steady



The limited volume of post recession data suggests that there might be some tailing-off of efficiency for long-term campaigns, but probably not on a scale sufficient to explain the overall observation. And effectiveness data (Figure 41) suggests that long-term awarded campaign effectiveness has not fallen despite falling budget levels (ESOV). It has however, ceased to grow.

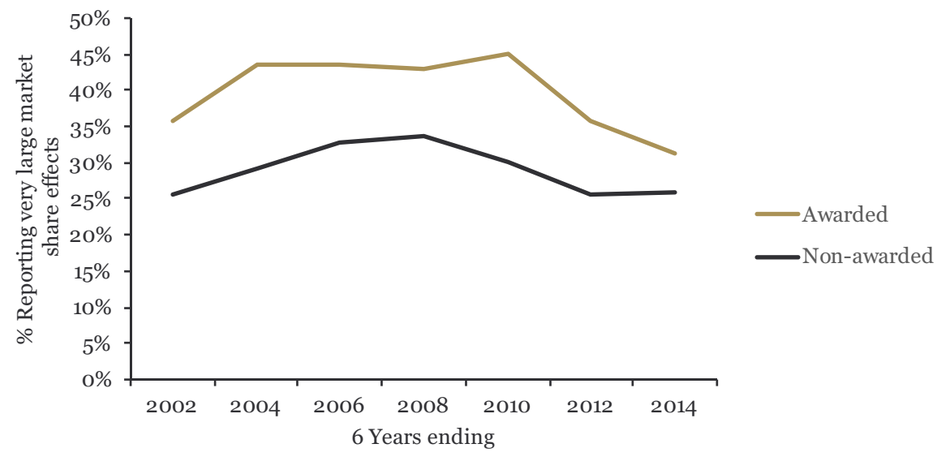
So it is likely that the declining efficiency recorded for awarded campaigns is driven by two factors:

1. The growing presence of short-term campaigns amongst them, for which efficiency levels are considerably lower.

2. The extreme reductions in ESOV reported (into negative territory), at which level they cease to out-perform non-awarded campaigns. These low budgets may have undermined the fame effect upon which the success of highly creative campaigns is based.

It is worth noting that the negative ESOV levels are even lower for long-term awarded campaigns than short-term ones, so the general picture of budget denial is not the result of a growing proportion of under-funded short-term campaigns – it is across-the-board.

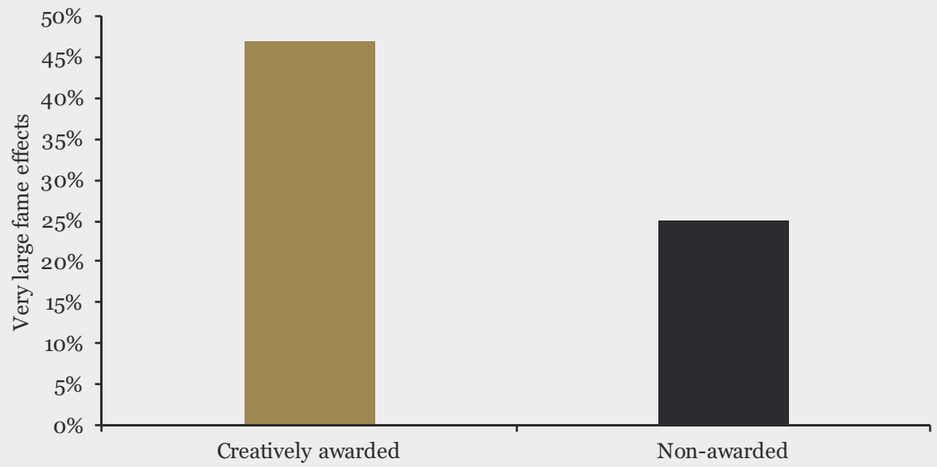
Figure 42
The market share growth advantage of awarded campaigns vs. non-awarded ones has narrowed



The inevitable consequence of the falling efficiency is a narrowing of the market share growth advantage enjoyed by awarded campaigns.

The inevitable consequence of the falling efficiency of awarded campaigns, coupled with the sharply falling budgets (ESOV) behind them, is a narrowing of the market share growth advantage that awarded campaigns have always enjoyed over non-awarded ones, despite having much smaller budgets (Figure 42). It should be noted, however, that the fact that creatively awarded campaigns retain *any* advantage is remarkable testament to their inherent effectiveness.

Figure 43
Creatively awarded campaigns are twice as likely to achieve major fame effects (1996-2014)



Awarded campaigns achieve almost twice the level of fame effects that non-awarded campaigns achieve (47% vs. 25%).

It has always been the case that the defining strength of creatively awarded campaigns, in terms of intermediate effects, is their fame effect – highly creative campaigns get talked about and shared much more widely. Across all other intermediate metrics there is little difference between creatively awarded and non-awarded campaigns. Figure 43 shows for the entire data run that creatively awarded campaigns achieve almost twice the level of fame effects that non-awarded campaigns achieve (47% vs. 25%). In contrast to this, the average across other intermediate effects is 24% vs. 22%, which is not statistically significant.

> *"A consistent picture is emerging, that in fact the power of creativity per se has not weakened at all."*

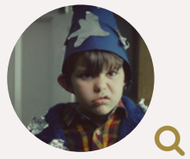
It is to be expected that the overall weakening of creatively awarded campaigns' fame effects that was demonstrated in the last section (Figure 24, page 64), will be reflected in reduced aggregated effectiveness and efficiency, as was shown. Reassuringly, however, the decline in the fame effects for long-term awarded campaigns is about half as severe, which would imply that half of the decline is due to short-termism and the other half of the decline is due to reduced budgets. It is likely that the declines in creative effectiveness caused by each factor are also similar.

So a consistent picture is emerging, that in fact the power of creativity per se has not weakened at all. The apparent weakening of creativity is entirely due to growing campaign short-termism and budget reductions in roughly equal measure, both of which undermine measured effectiveness: this was a predictable and perhaps avoidable situation.

3·4 Levels of creativity

The Gunn Report data reveals the level of creativity of campaigns in terms of the number of major creative awards won. The top half of the creatively awarded sample picked up four or more major creative awards – these are referred to here as 'highly awarded' (they represent the kinds of campaigns that tend to sweep the awards at creative shows). The bottom half of the awarded sample picked up one to three creative awards and are referred to here as 'less awarded' (though it should be acknowledged that they are still, creatively speaking, highly celebrated campaigns).

Some highly awarded campaigns


John Lewis

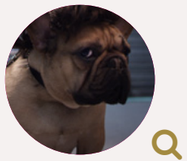
Sainsbury's

Volkswagen

Snickers

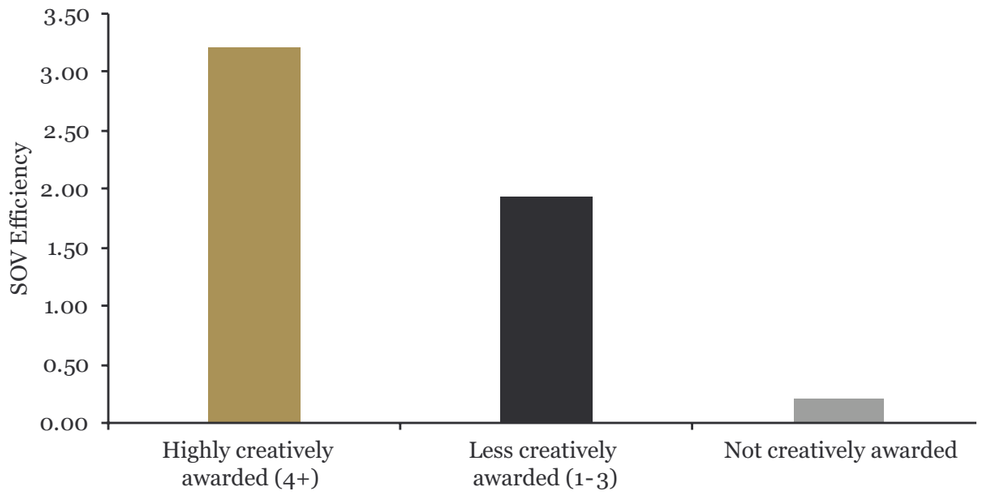
McDonalds

IBM


Expedia

Aldi

Figure 44
Very highly awarded campaigns are the most efficient of all (1996-2014)



Over the 20 years of the study, highly awarded campaigns drove share growth 16 times more strongly per point of ESOV.

Figure 44 shows how the level of efficiency across the entire data run of campaigns is highest for the most highly rewarded campaigns. Over the 20 years of the study, highly awarded campaigns achieved around 16 times the efficiency of non-awarded campaigns – that is to say they drove share growth 16 times more strongly per point of ESOV. Less awarded campaigns achieved just under 10 times the efficiency of non-awarded campaigns – still a highly valuable commercial benefit.

Marketers in pursuit of maximum effectiveness cannot have too much creativity: the more creative, the more effective.

These efficiency ratios don't translate precisely into effectiveness advantages because of the much lower budgets of creatively awarded campaigns, but nevertheless they are reflected in effectiveness levels (measured as the number of business effects), which were almost 30% greater for highly awarded campaigns than less awarded ones. So marketers in pursuit of maximum effectiveness cannot have too much creativity: the more creative, the more effective.

But analysing the efficiency ratios in greater depth reveals how the trend to short-termism plays a role even here: to some extent the greater efficiency of highly awarded campaigns is because they were much less likely to be short-term campaigns – the longer a campaign runs, the greater opportunity it has to pick up awards. 22% of less awarded campaigns were short-term ones vs. only 9% of highly awarded campaigns – the latter ran on average for 25% longer.

This cannot entirely explain the efficiency advantage, but it does contribute significantly to it. So it is the less awarded campaigns that are most affected by the trend to short-termism. There is insufficient data to examine the impact of short-termism on efficiency by creativity level over time, but effectiveness levels (number of business effects) for less awarded campaigns have fallen 25% over the last decade, whereas they have risen 30% for highly awarded campaigns. Because this has happened over a period of consistently lower budget levels (ESOV) for highly awarded campaigns, it is likely that efficiency levels reflect a similar rising trend. So marketers in pursuit of effectiveness should target multiple creative awards across numerous creative shows and over the long term.

Case study

John Lewis

2014

John Lewis' sales have been on a roll since the debut of their emotional Christmas campaign. The campaign has spawned many highly creative executions, gathering numerous creative awards over the years. By January 2012 the campaign had generated over a quarter of a billion pounds in incremental profits net of marketing costs. Elegant proof that you cannot be too creative.

The campaign generated

£250m

in incremental profits.

> *"22% of less awarded campaigns were short-term ones vs. only 9% of highly awarded campaigns – the latter ran on average for 25% longer."*

3·5 Media for which creative awards were won

For the first time the volume of data permits some limited examination of the relative effectiveness and efficiency of campaigns that picked up creative awards for different media.

It is possible to compare those that won awards for TV ads only vs. those that picked up other creative awards but not TV awards. Not surprisingly given the earlier findings, campaigns with creative awards for TV ads only were more effective and efficient than those with only non-TV awards. Those with both TV and non-TV awards, as well as those with cross-channel awards, were about as effective as those with TV awards only. This suggests that without an idea that can work very creatively on TV, the effectiveness of the campaign suffers (even if the campaign includes TV). But this is partly because TV awarded campaigns tend to be more long-term than others. One of the many benefits of great TV ads is that they prolong the effectiveness of campaigns and hence their typical duration.

Case study

Snickers

2012

The Snickers "You're not you when you're hungry" campaign has transformed the fortunes of the brand globally since its debut in 2010. TV was regarded as the brand's 'most important tool' in generating the fame-driven growth that delivered global incremental sales of over a third of a billion dollars in two years.

The campaign delivered

$333m

in two years.

Chapter 3

Key points

1. The overall effectiveness and efficiency of IPA campaigns have been falling since the period ending 2010. This is mostly due to declines amongst creatively awarded campaigns.
2. Creatively awarded campaigns' efficiency has halved in four years.
3. The apparent efficiency multiplier of awarded campaigns over non-awarded ones has fallen from twelve to six.
4. The apparent loss of creative effectiveness is the product of growing short-termism coupled with negative ESOV budget levels.
5. In fact the inherent effectiveness of long-term awarded campaigns has not fallen. If adequately funded and designed to work over the long term, creativity is as powerful as ever.
6. The more creative the campaign the greater the efficiency.

Cross-channel creativity to the rescue?

4

But what of the impact of the growing proportion of cross-channel creatively awarded campaigns – those designed to leverage creativity for both long and short-term growth?

Figure 45
Cross-channel awarded campaigns narrow the activation gap with non-awarded campaigns

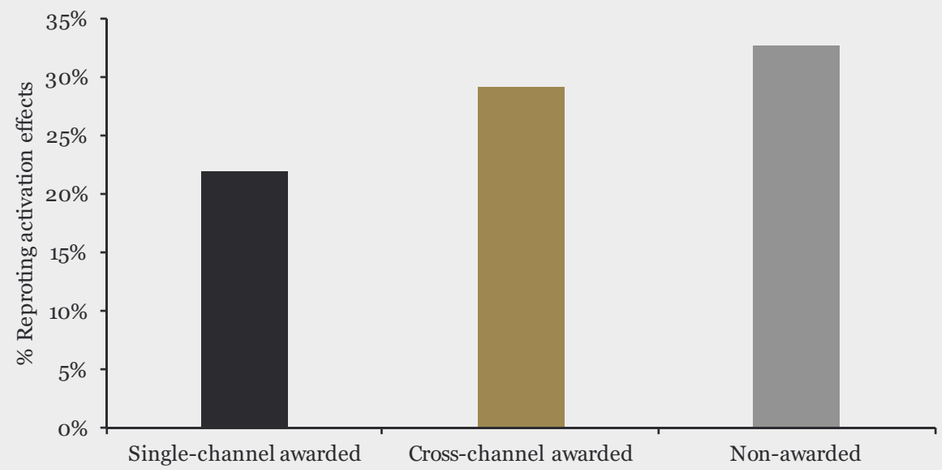
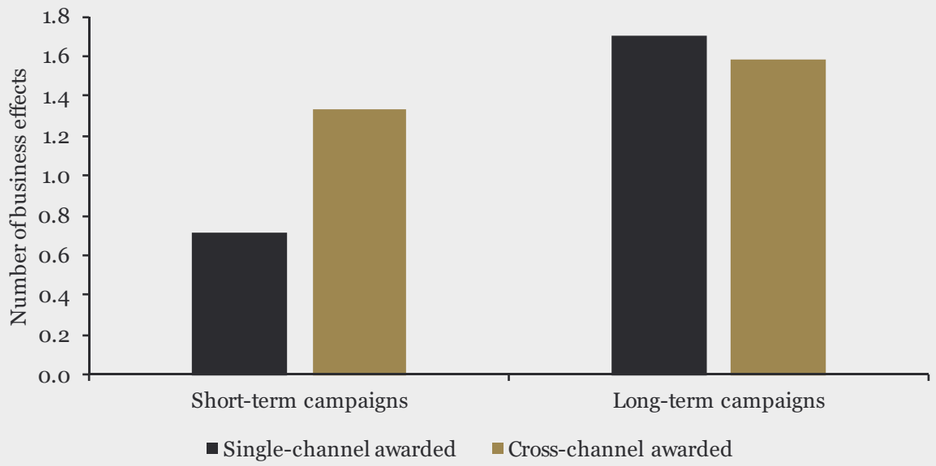


Figure 45 reveals how cross-channel awarded campaigns almost close the activation gap with non-awarded campaigns that was shown in Figure 13 (page 39).

Figure 46
Cross-channel awarded campaigns mitigate the damage of short-termism but do not eliminate it



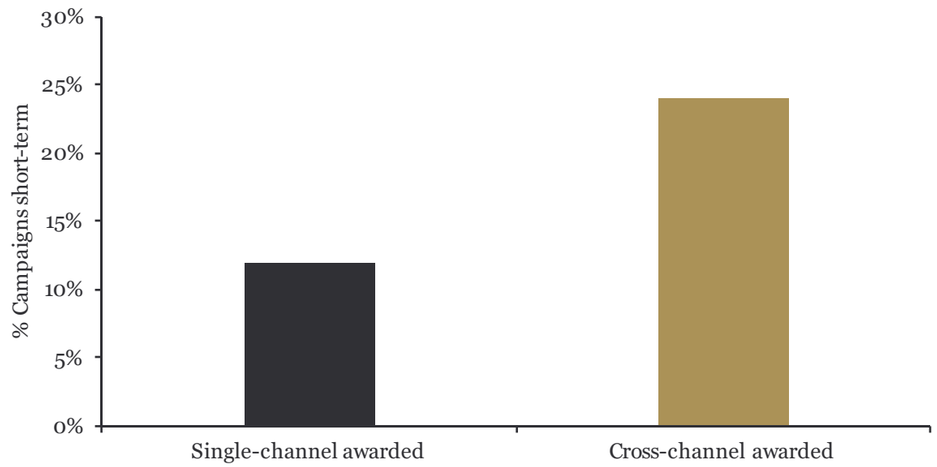
As these cross-channel awarded campaigns have grown as a proportion of all creatively awarded IPA campaigns, they have helped to improve their activation record: the activation gap between all awarded and non-awarded campaigns has approximately halved. But it is extremely unlikely that creatively awarded campaigns will ever surpass non-awarded ones on activation metrics. This is because the very features that appear to attract the eyes of awards judges (originality, fame potential, emotional punch) and drive long-term success are inherently less effective at prompting short-term sales activation than unvarnished 'reason why' advertising or 'timely and relevant offers'.

> *It is wrong to imagine that cross-channel awarded campaigns have a magical ability to counter the destructive pressure of short-termism.*

It is extremely unlikely that creatively awarded campaigns will ever surpass non-awarded ones on activation metrics.

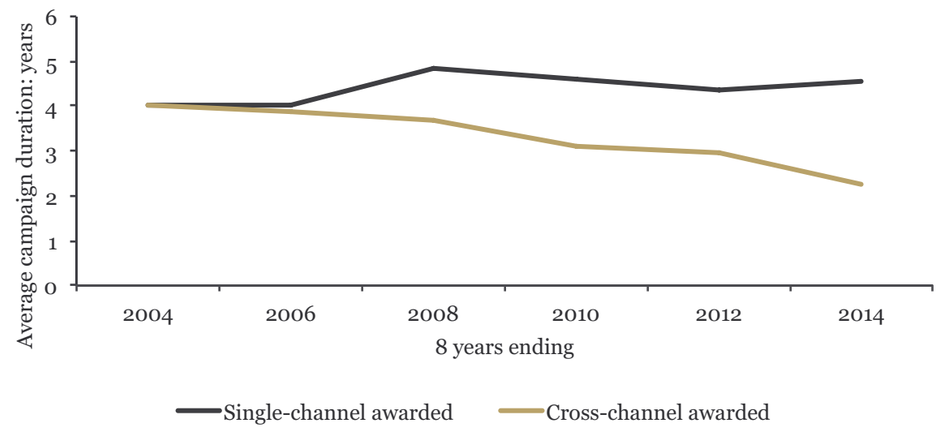
It is sadly also wrong to imagine that cross-channel awarded campaigns have a magical ability to counter the destructive pressure of short-termism and are a complete answer to it. They mitigate it to a degree (Figure 46), but ultimately business success still suffers considerably and there is a hint of a slight trade-off over the long term, with perhaps slightly reduced long-term business effectiveness. But these cross-channel awarded campaigns do represent a step forward in creative effectiveness – they exceed the business results of non-awarded campaigns over all but the shortest of (activation) time frames.

Figure 47
Cross-channel awarded campaigns are twice as likely to be short-term campaigns



However, as the chart emphatically demonstrates, they perform best if not required to work primarily over the short term. Unfortunately, because they are often developed to meet short-term pressures, cross-channel awarded campaigns are twice as likely to be short-term as single channel awarded campaigns (Figure 47), so they start with a long-term disadvantage.

Figure 48
Cross-channel awarded campaigns have borne the brunt of short-termism



The average campaign duration of cross-channel awarded campaigns has shortened considerably as marketers impose growing pressure for quick results.

Clearly the problem of short-termism is not unique to cross-channel awarded campaigns but, as Figure 48 shows, it has had a much greater impact on them than on single channel campaigns, which remain fairly stable in duration, if fewer in number. The average campaign duration of cross-channel awarded campaigns has shortened considerably – by over 40% - as marketers impose growing pressure for quick results.

The rapid growth of cross-channel creatively awarded campaigns amongst the IPA case studies is driven by their enhanced short-term performance, but has nothing to do with long-term effectiveness. Unfortunately this provides a skimpy fig leaf for the trend to short-termism, which is undermining the long-term success of marketing.

These findings suggest that not only should effectiveness awards judges assess long-term campaigns separately from short-term ones, but also that creative awards judges should too, otherwise creative awards will undermine the effectiveness foundations that have underpinned their commercial value.

In the past, the winning of creative awards appears to have helped ensure the longevity of campaigns: awarded campaigns' average duration over the entire 18-year run of data has been 3.8 years, compared to 2.5 years for non-awarded campaigns. So it is doubly disturbing to see that the new wave of short-term campaigns winning cross-channel awards is actively undoing this virtue.

"In the past, the winning of creative awards appears to have helped ensure the longevity of campaigns: awarded campaigns' average duration over the entire 18-year run of data has been 3.8 years, compared to 2.5 years for non-awarded campaigns."

Chapter 4

Key points

Cross-channel awarded campaigns, such as Titanium Lions:

1. Appreciably but not entirely close the activation gap with non-awarded campaigns.
2. Are not an answer in the long term to reduced budgets (ESOV).
3. Work better over long timescales, like conventional creatively awarded campaigns.
4. But are increasingly misused as a tool for short-term sales.

5 Conclusions

There are a number of clear recommendations emerging from this analysis for any marketer wishing to tap the considerable potential of creativity to boost effectiveness.

1. Creativity is greatly worth striving for so long as it is for long-term objectives: over the last 20 years, awarded campaigns outperformed non-awarded ones by 10:1 in efficiency terms, but this ratio only applies in the long term.

2. Positive share of voice remains vital to extract commercial benefit from awarded creativity: the case for greater investment to milk the creative asset is strong.

3. The use of digital channels does not change the need for investment in share of voice.

4. A strong creative idea should be exploited for as long as possible – look for ways to maintain its impact over a year or more.

5. Do not evaluate creativity over periods of less than six months –doing so understates its long-term potential and discourages full commercial exploitation of the idea. Always think long-term.

6 Targeting emotional responses and, in particular, fame, will improve your campaign's chances of achieving high levels of creativity.

7 An idea that works creatively across channels will improve the campaign's potential for driving both short and long-term sales effects: aim for cross-channel creativity.

8 Aim for many creative awards – more highly awarded campaigns are not only more creative, but have benefitted from further creative development over time. Both of these are good for effectiveness.

9 Do not ignore the powerful combination of creativity and TV – TV is a powerful primer of cross-channel effects and fame.

10 Social media and online video can be powerful amplifiers of highly creative TV ads: devote appropriate resources to this task.

> *"A new breed of cross-channel campaigns designed to harness creativity to both long and short selling is stealing the limelight."*

These are clearly challenging times for creativity: just as the value of creativity was becoming firmly established, it has come under threat.

The dual impacts of short-termism in marketing and lower investment behind creativity have halved the benefit of creativity over a period of just four years. Meanwhile, a dwindling band of long-term and adequately funded creative campaigns continue to perform as strongly as ever. But attention is not focussed on these campaigns. A new breed of cross-channel campaigns designed to harness creativity to both long and short selling is stealing the limelight. But these only truly represent a step forward when they work for the long term – too often they are used for quick but transient results. By lessening the damaging effects of short-termism they provide a fig leaf for it. Nor do they circumvent the need for above par share of voice to drive growth. Short-termism needs to be exposed for what it is: a threat not just to the power of creativity but also to the health of brands.

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