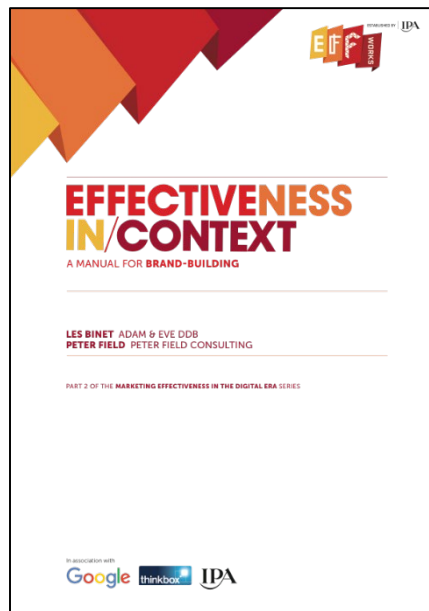
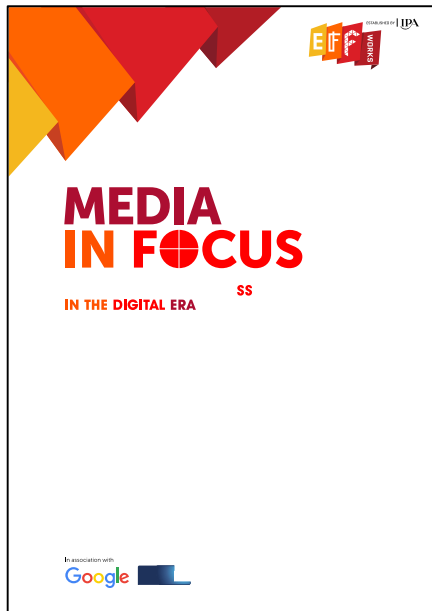
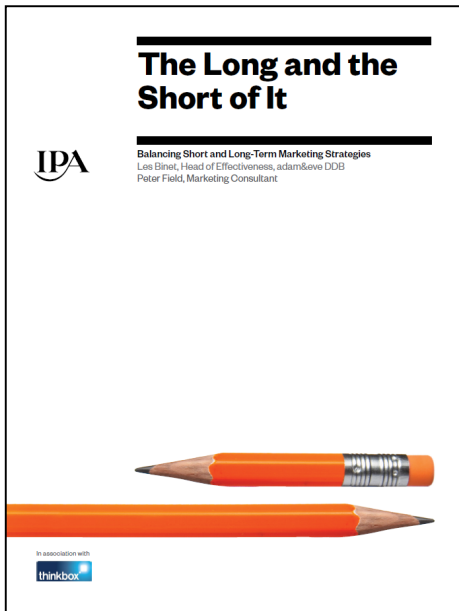


# EFFECTIVENESS IN/CONTEXT

A MANUAL FOR **BRAND-BUILDING**

# Previous research and this



How does the context the brand operates in influence strategy?

500 digital era for-profit cases

120 not-for-profit cases

# Two ways marketing works

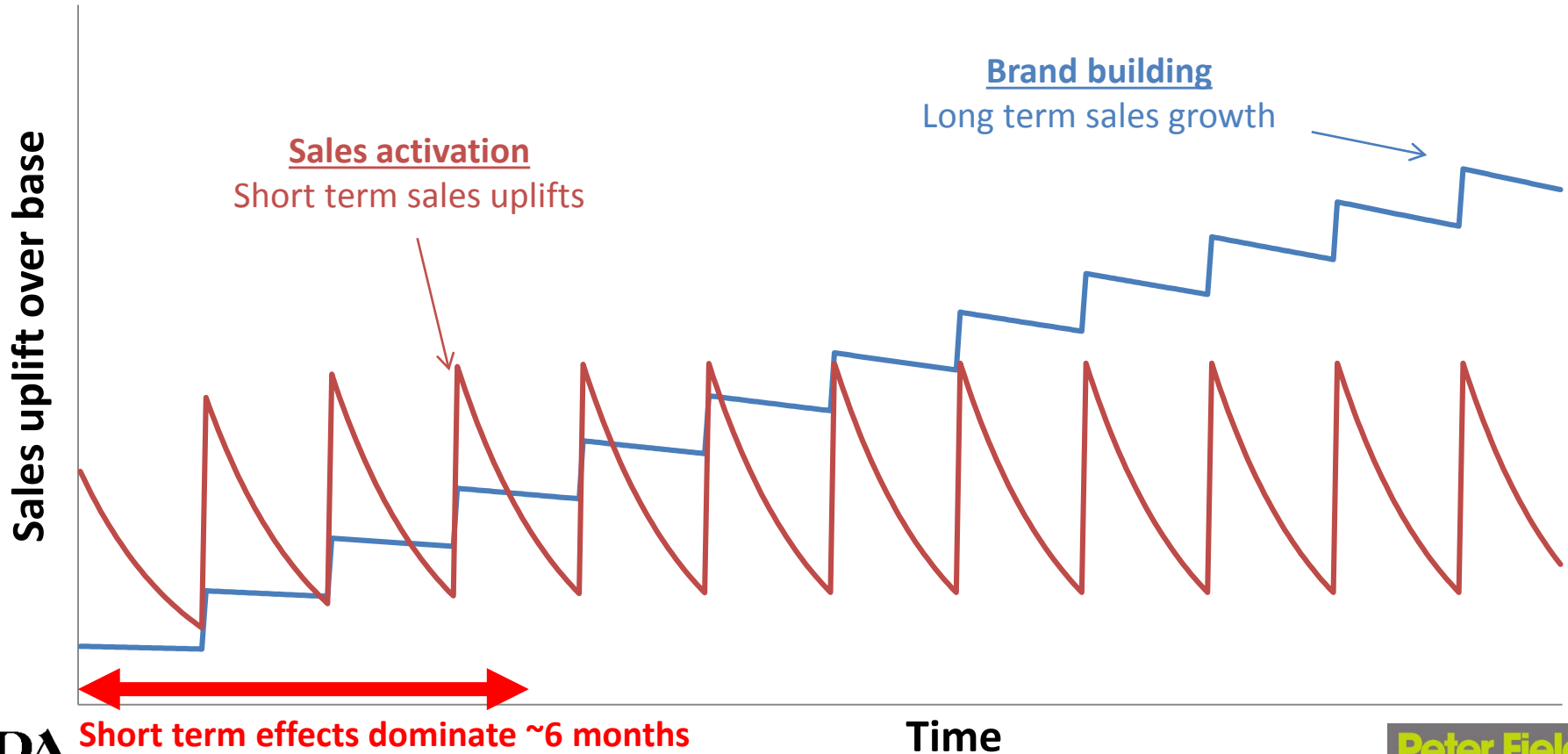
## Short-term sales activation



## Long-term brand building

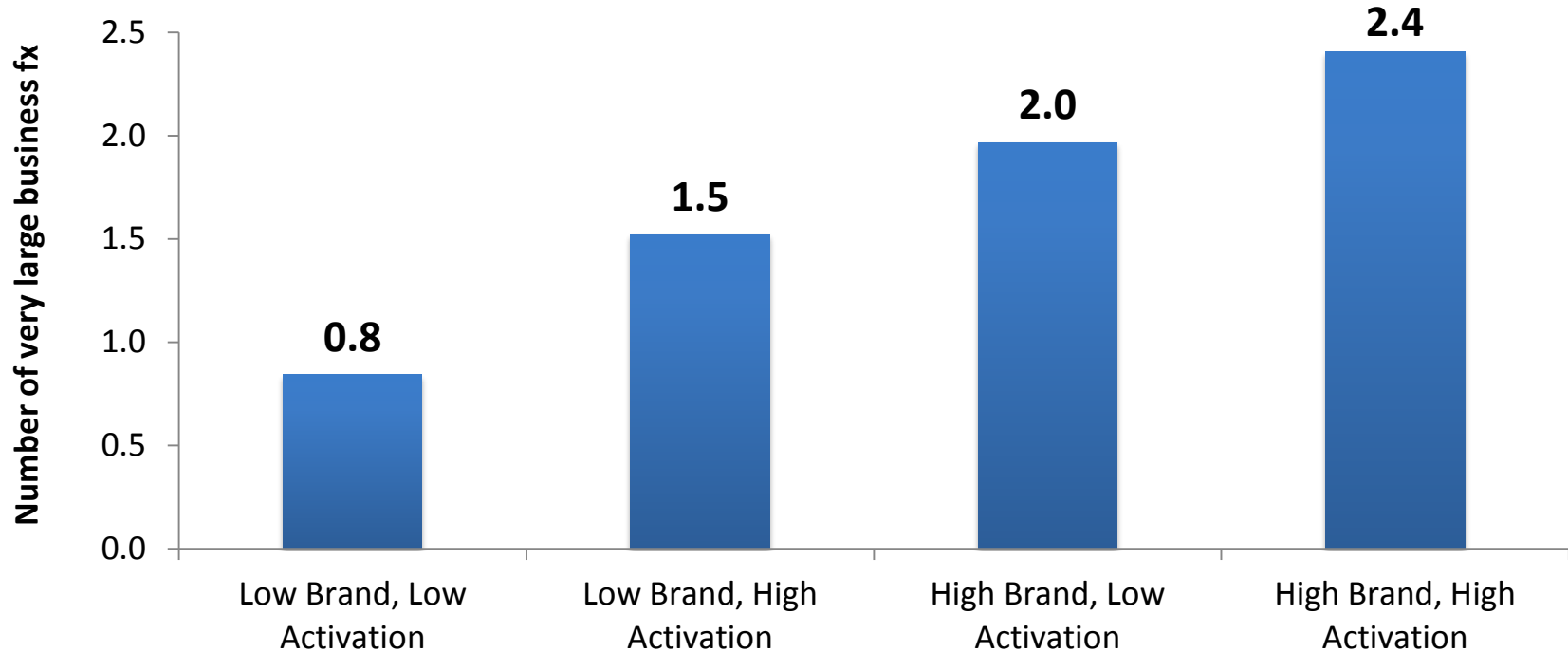


# Two ways marketing works



# **Why do we still need brand building advertising?**

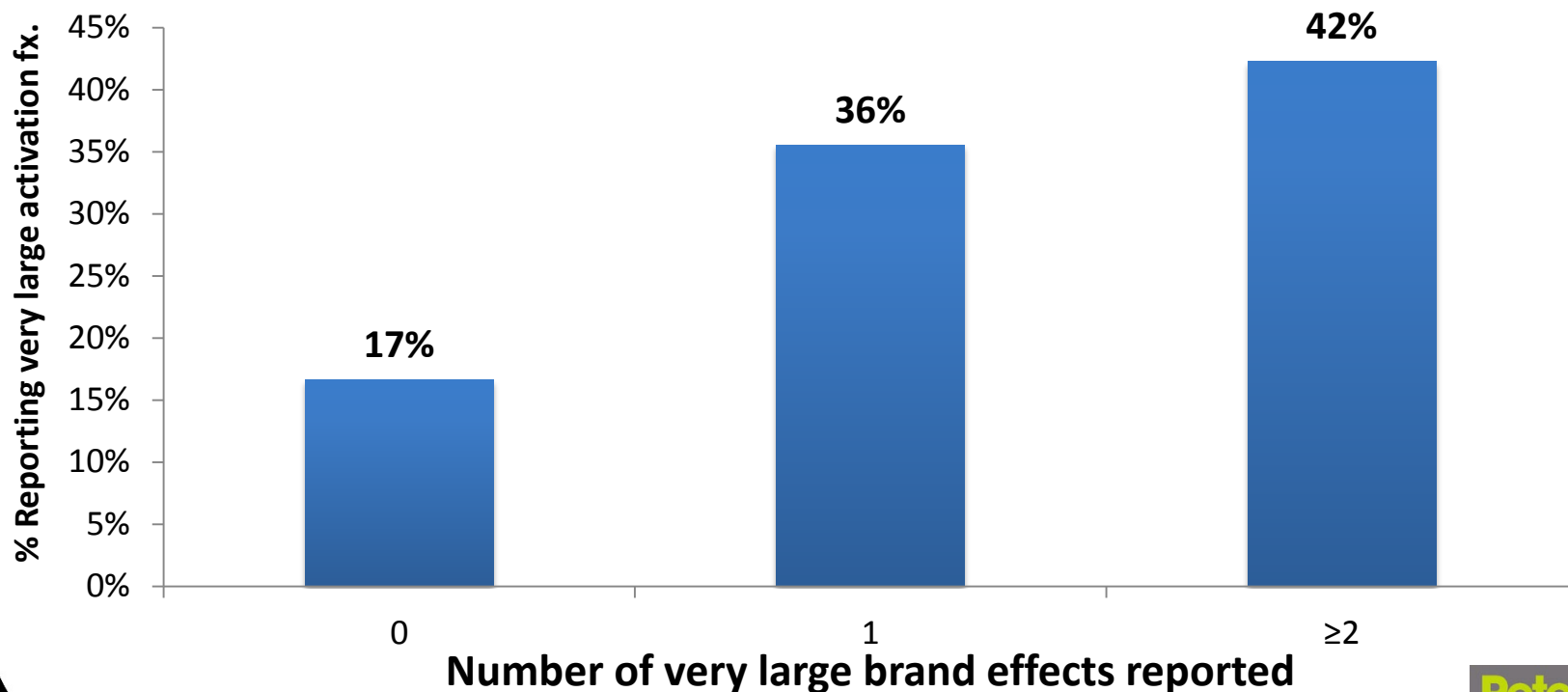
# You need brand and activation



**Balance of brand and activation effects**

Source: IPA Databank, 1998-2016 for-profit cases, based on scale of activation effects and number of brand effects

# Brand building boosts short-term effects



Source: IPA Databank, 1998-2016 for-profit cases

# The power of brand building: Direct Line insurance

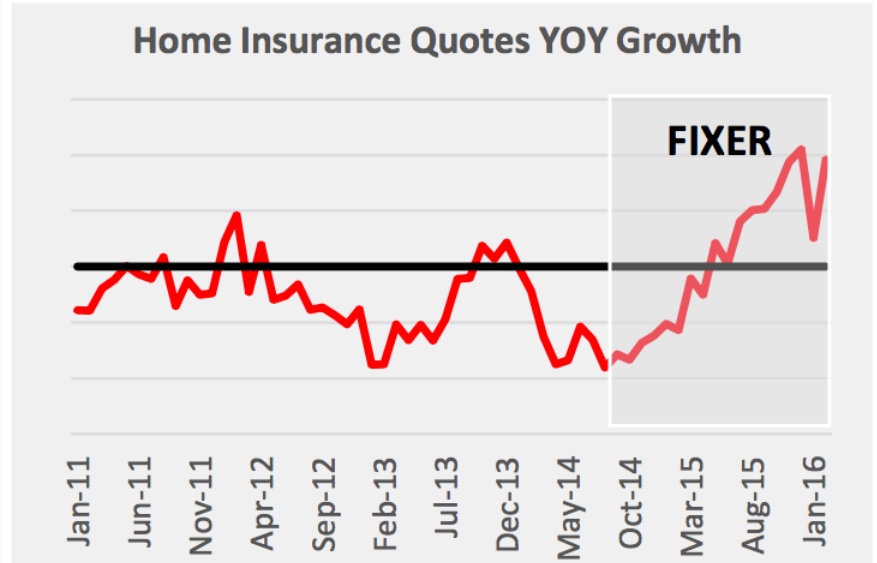
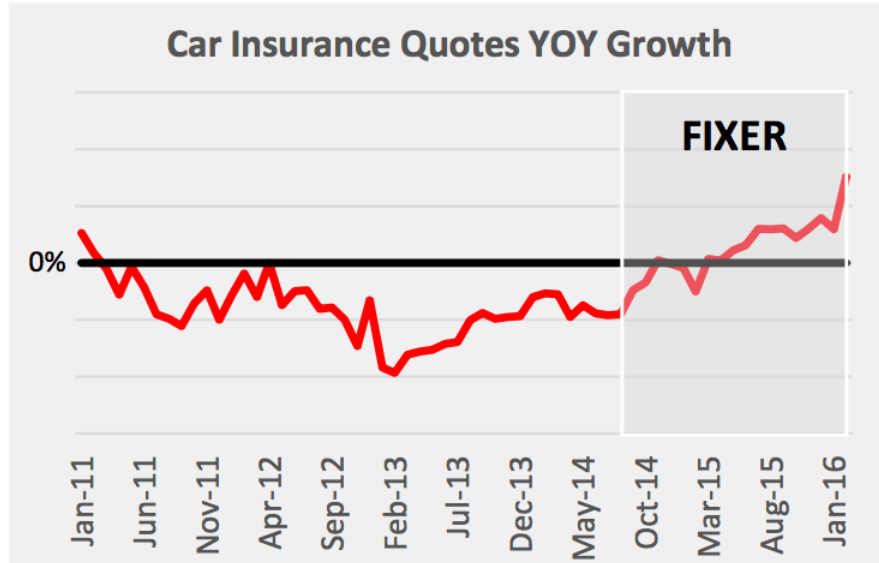




# Direct Line TVC



# Direct Line growth



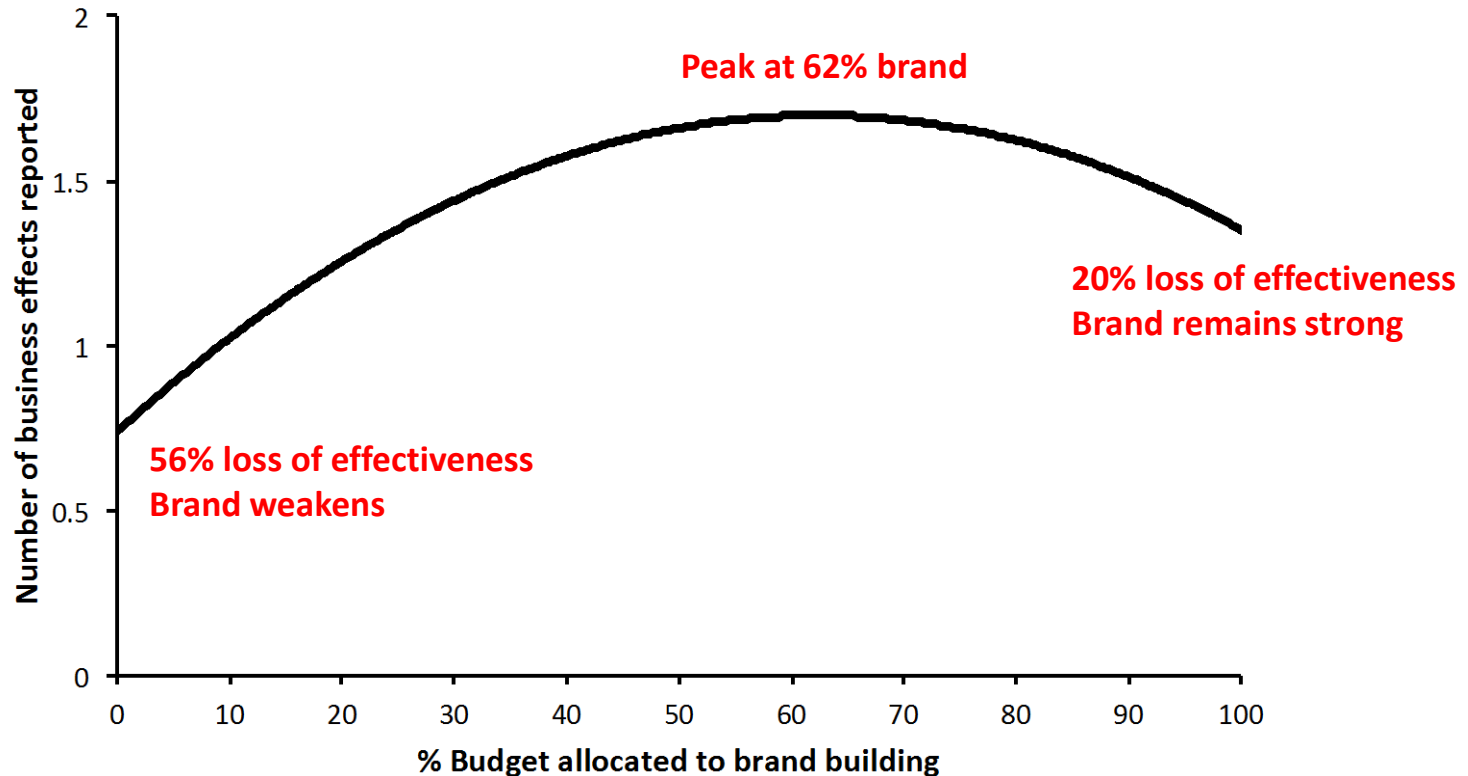
# Why TV?

“We could find compelling evidence for both the long-term and short-term effectiveness of media lines such as TV and radio. By contrast, our research did not support continued investment in a number of programmatic digital media lines even on a short-term basis.”

Direct Line 2018 IPA case study

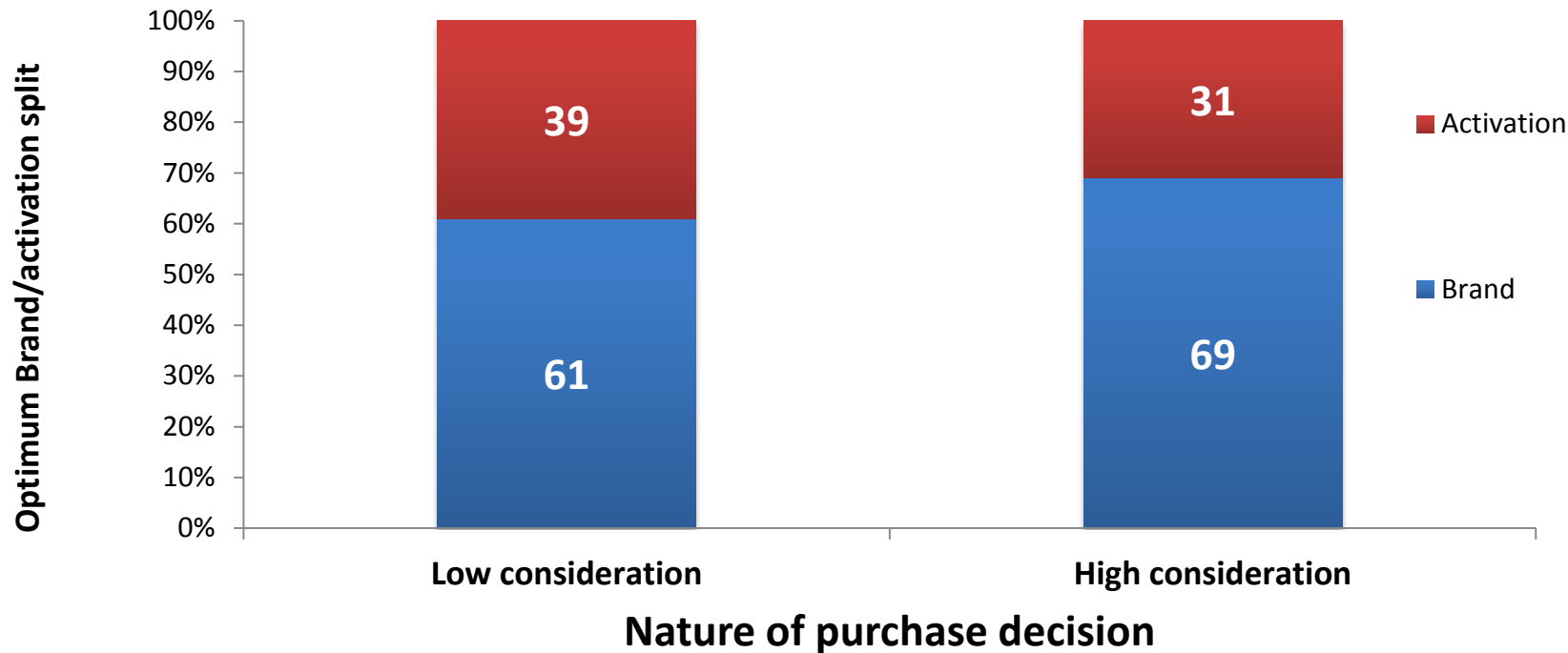
# The principles of balance

# Brand-Activation balance matters



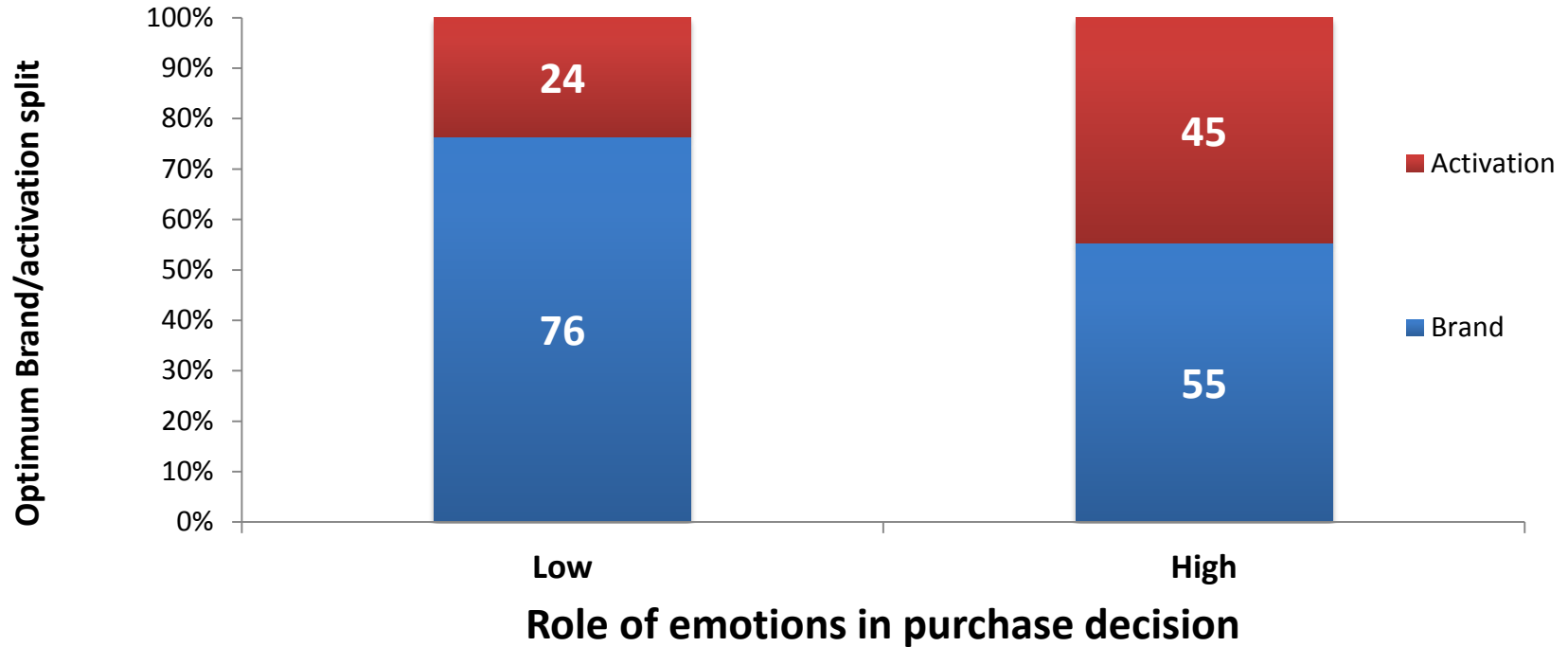
Source: IPA Databank, 1998-2016 for-profit cases

# When activation is easy, up-weight brand



Source: IPA Databank, 1998-2016 for-profit cases

# When brand building is easy, up-weight activation

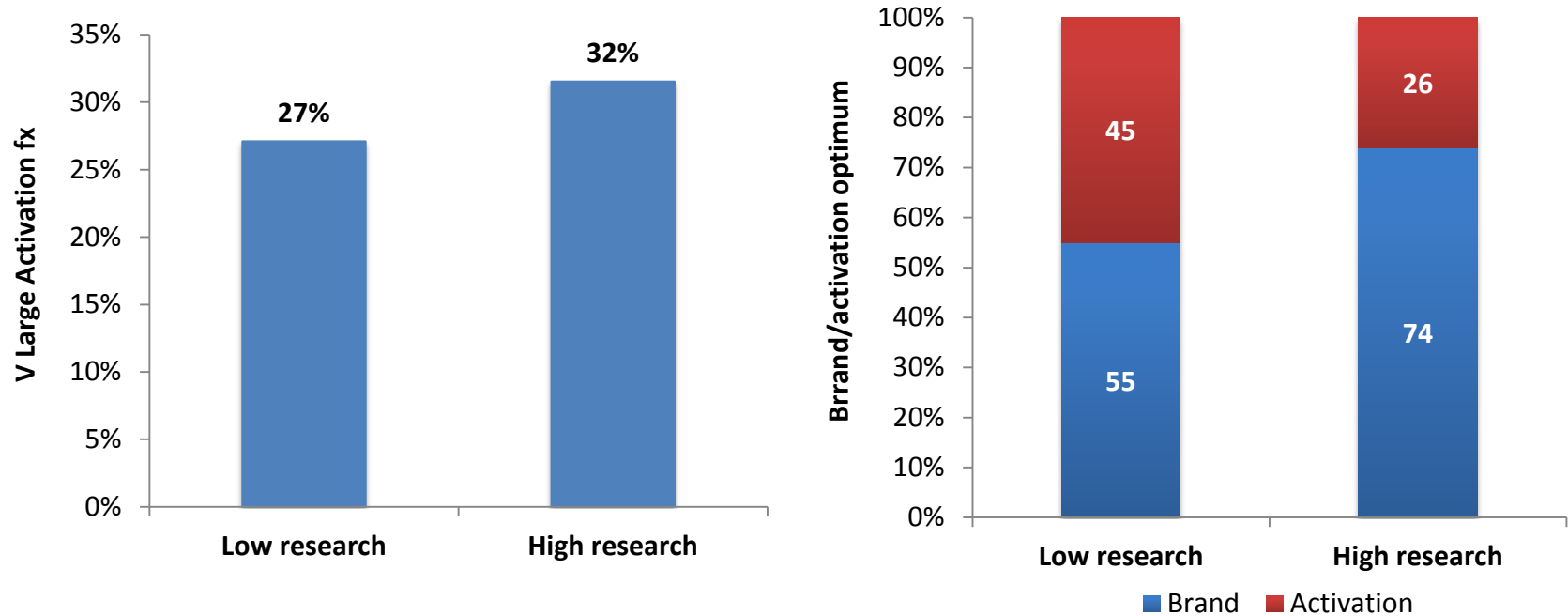


Source: IPA Databank, 1998-2016 for-profit cases

# Flexing the rules by context

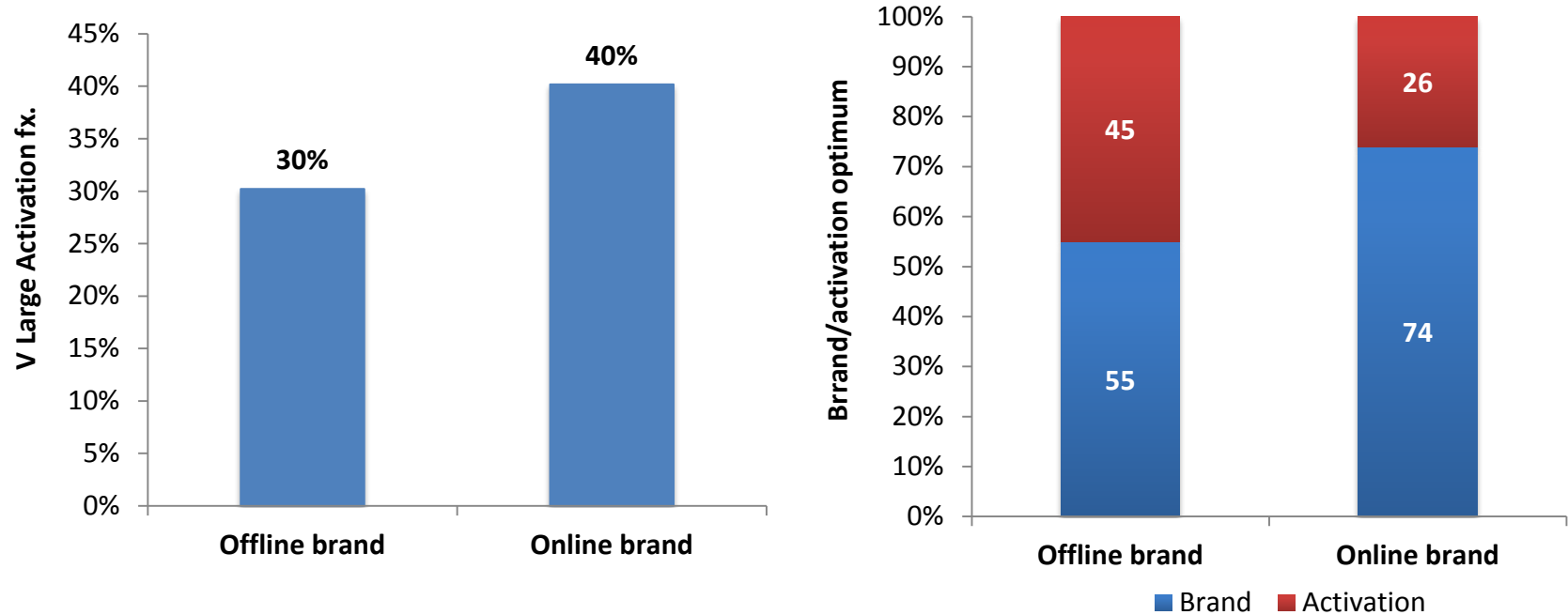


# Online research makes activation easier



Source: IPA Databank, 1998-2016 for-profit cases

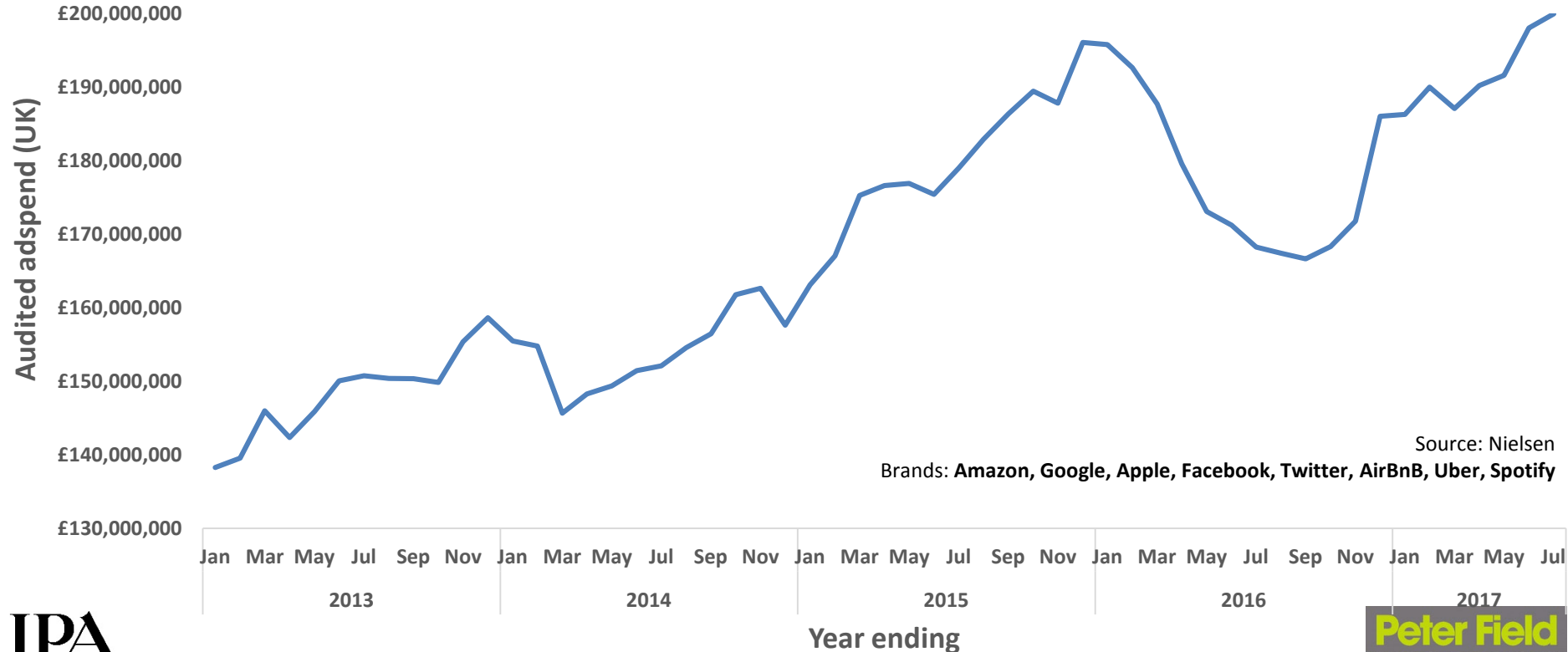
# Online selling makes activation easier



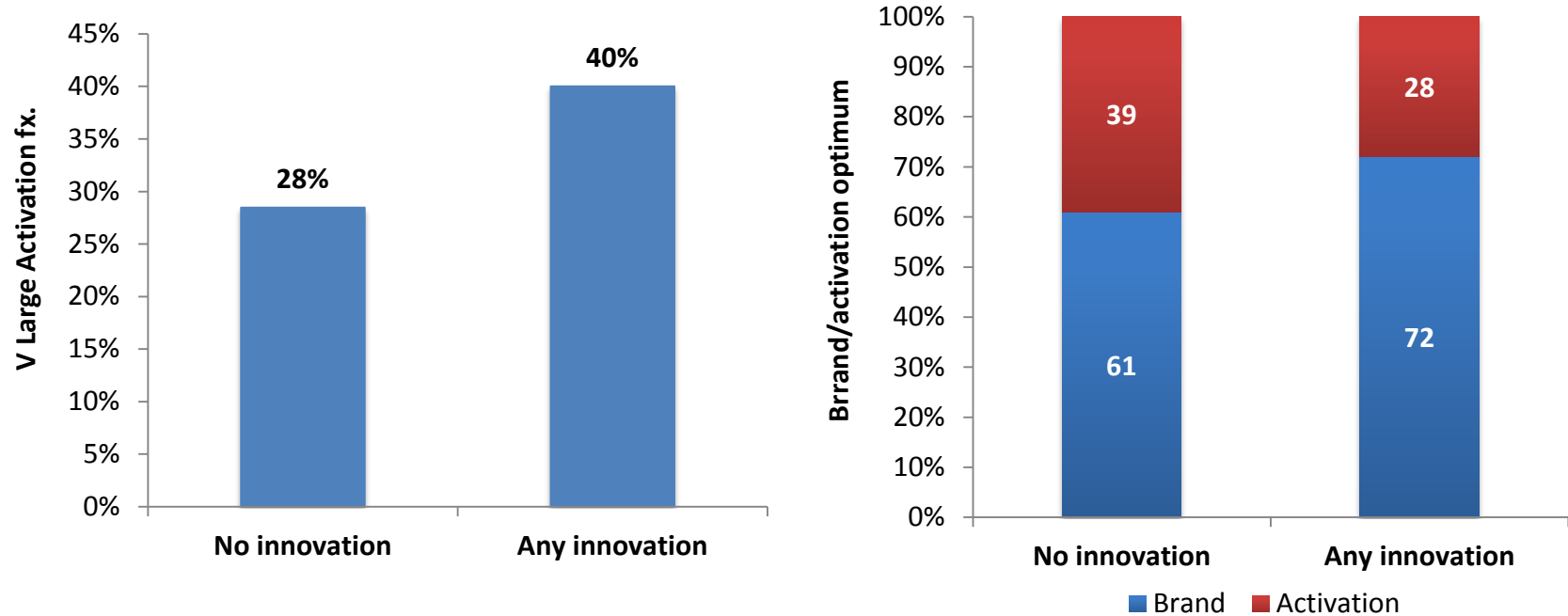
Source: IPA Databank, 1998-2016 for-profit cases

# What about Big Tech?

## Major tech firms spend on traditional brand media

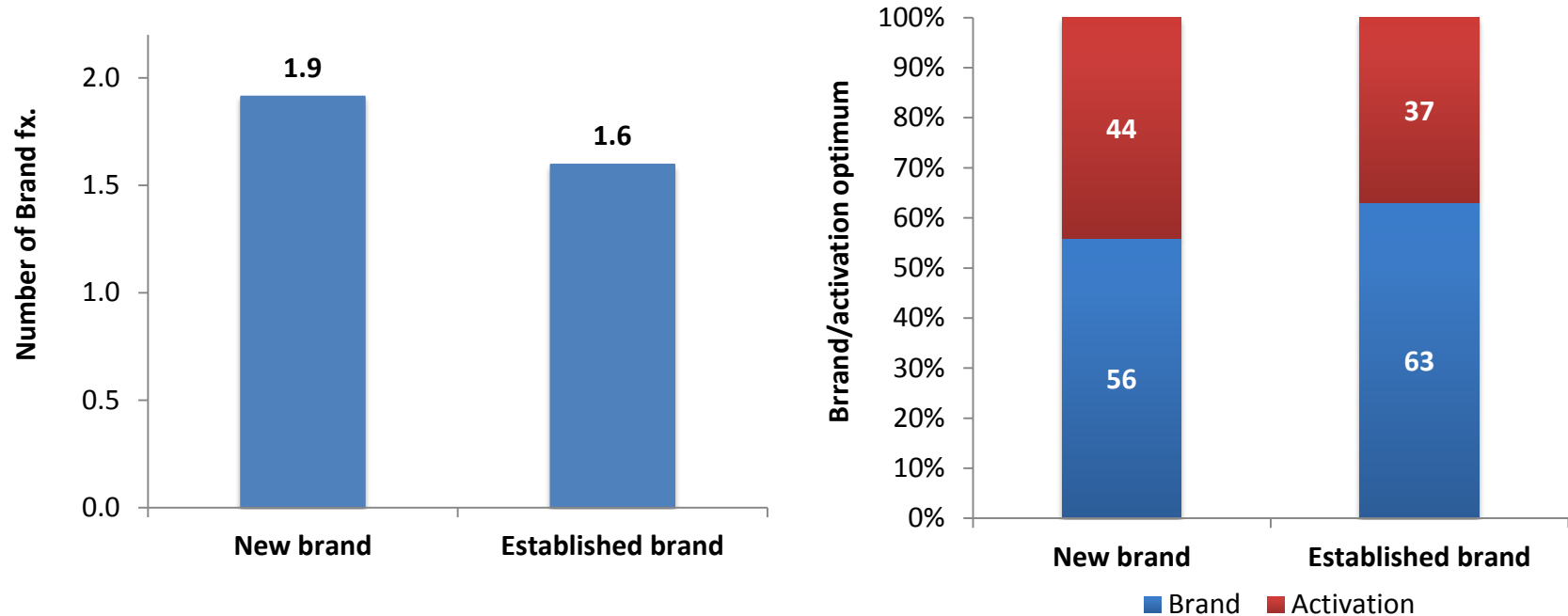


# Innovation makes activation easier



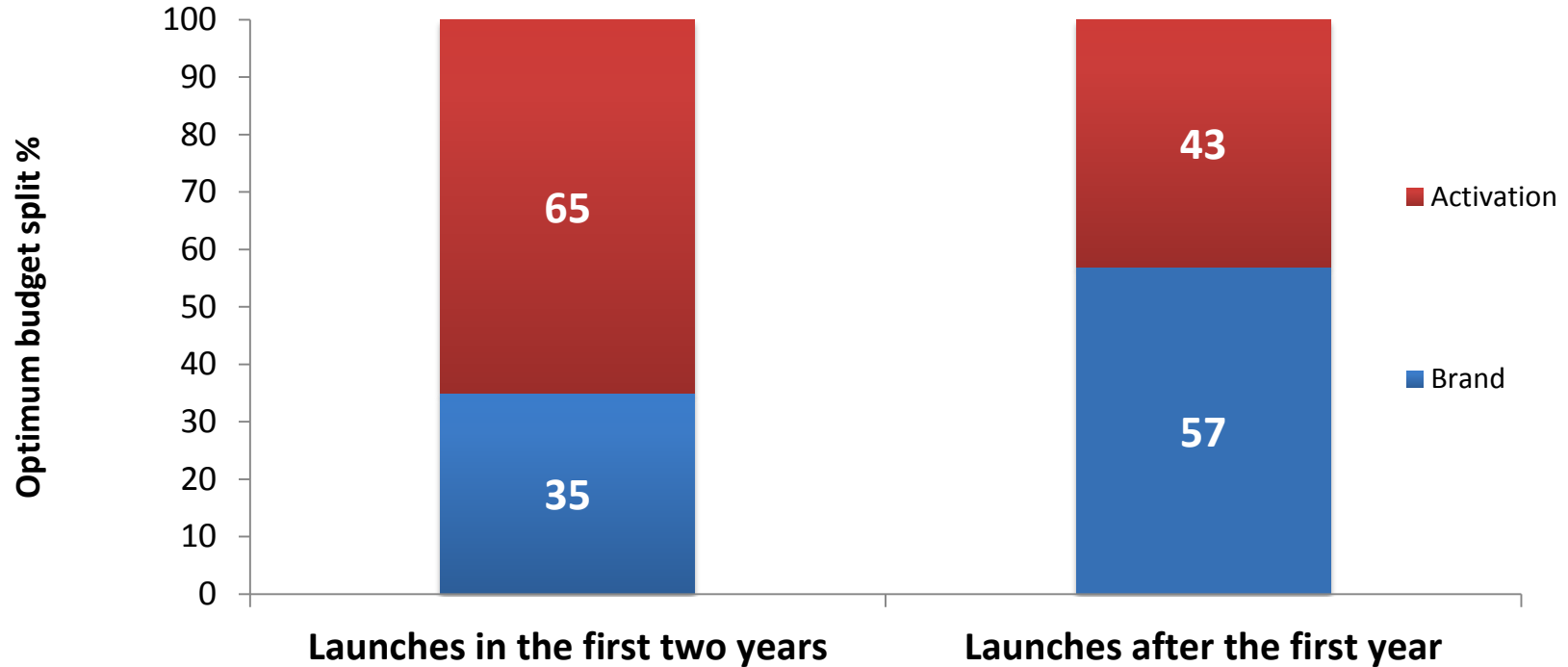
Source: IPA Databank, 1998-2016 for-profit cases

# Brand building is easier for new brands



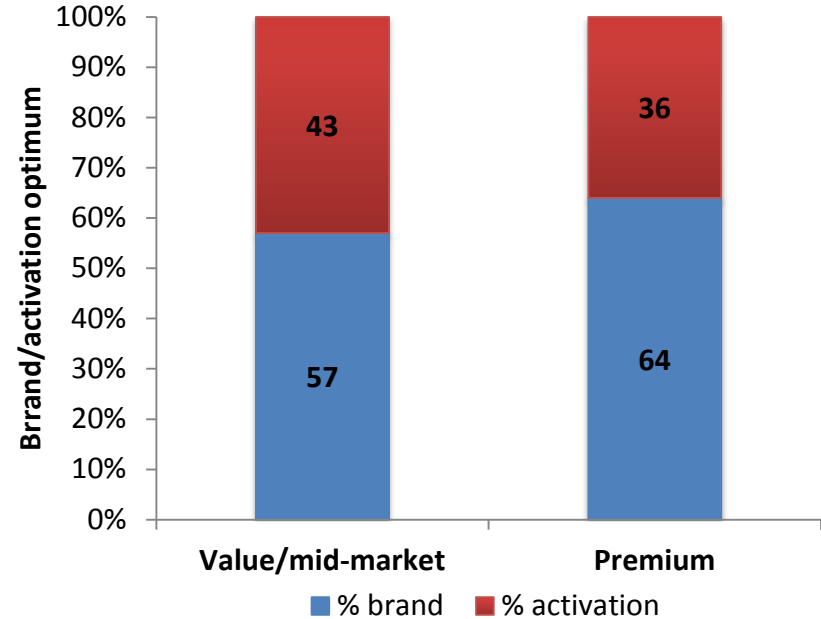
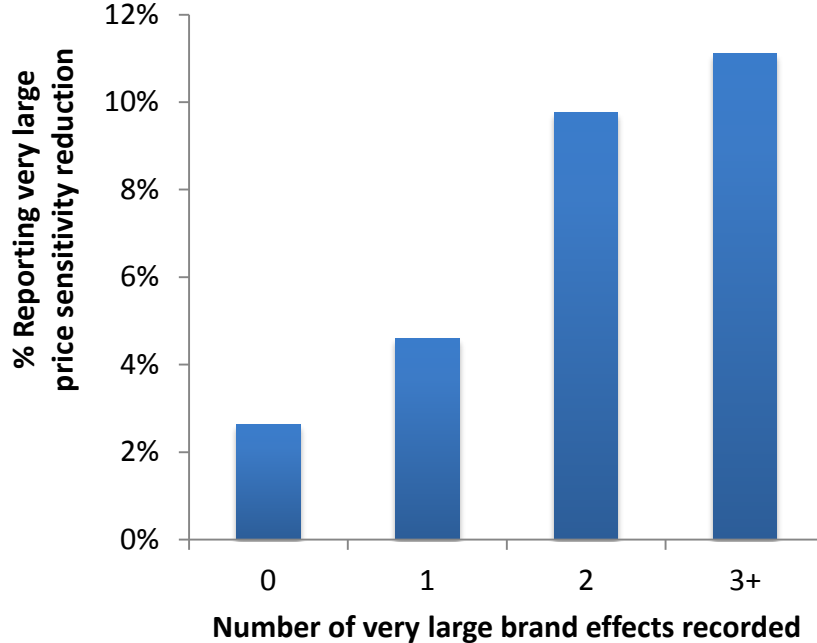
Source: IPA Databank, 1998-2016 for-profit cases

# Beware the inflection point with launches



Source: IPA Databank, 1998-2016 for-profit cases

# Brand is the key to premium pricing

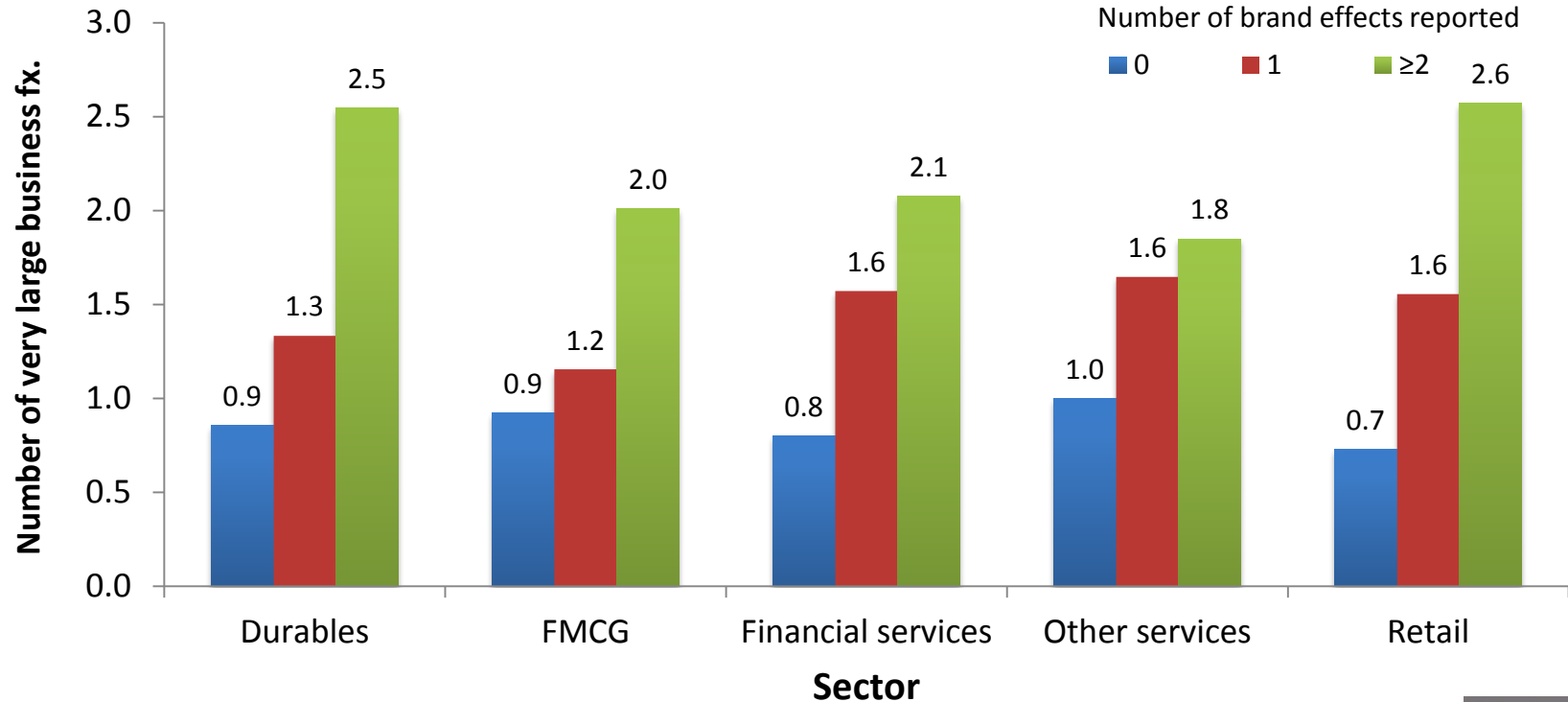


Source: IPA Databank, 1998-2016 for-profit cases

# How does this affect sectors?

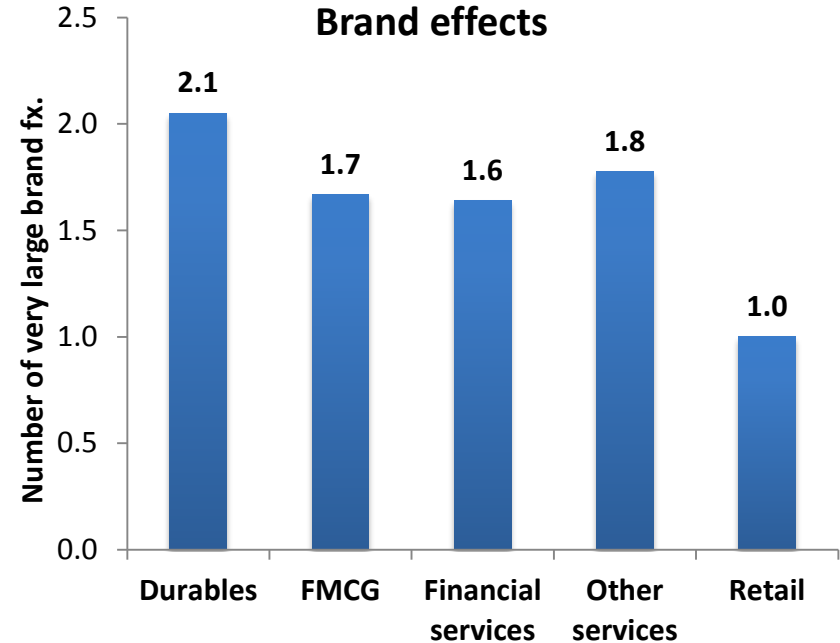
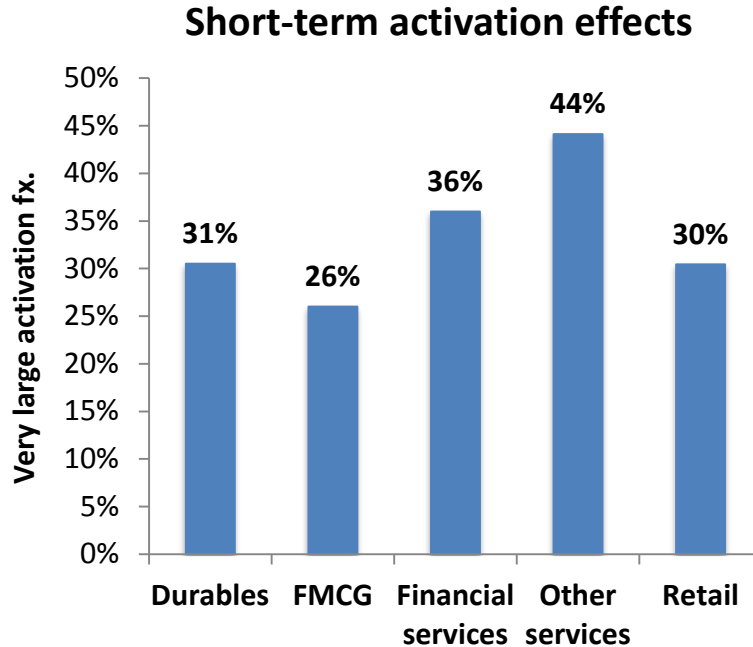


# Brand building always drives long-term effectiveness

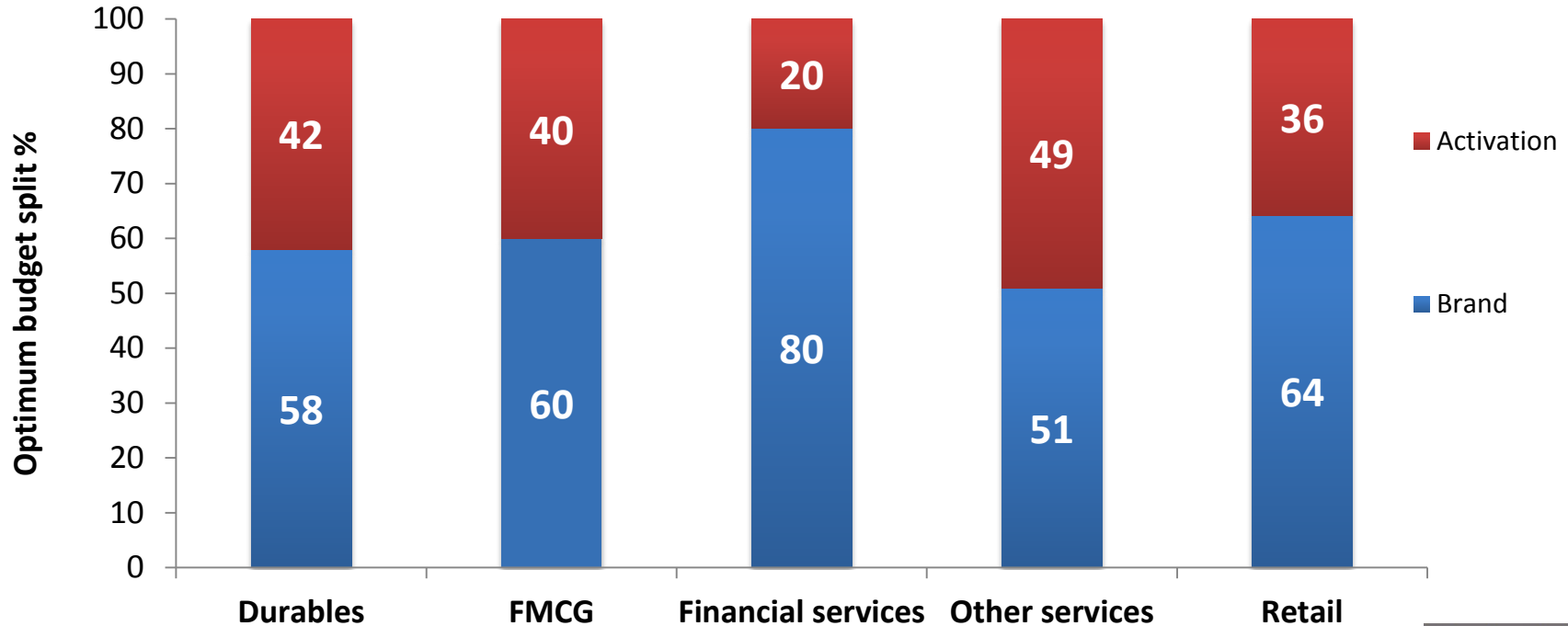


Source: IPA Databank, 1998-2016 for-profit cases

# Brand & Activation potential vary widely

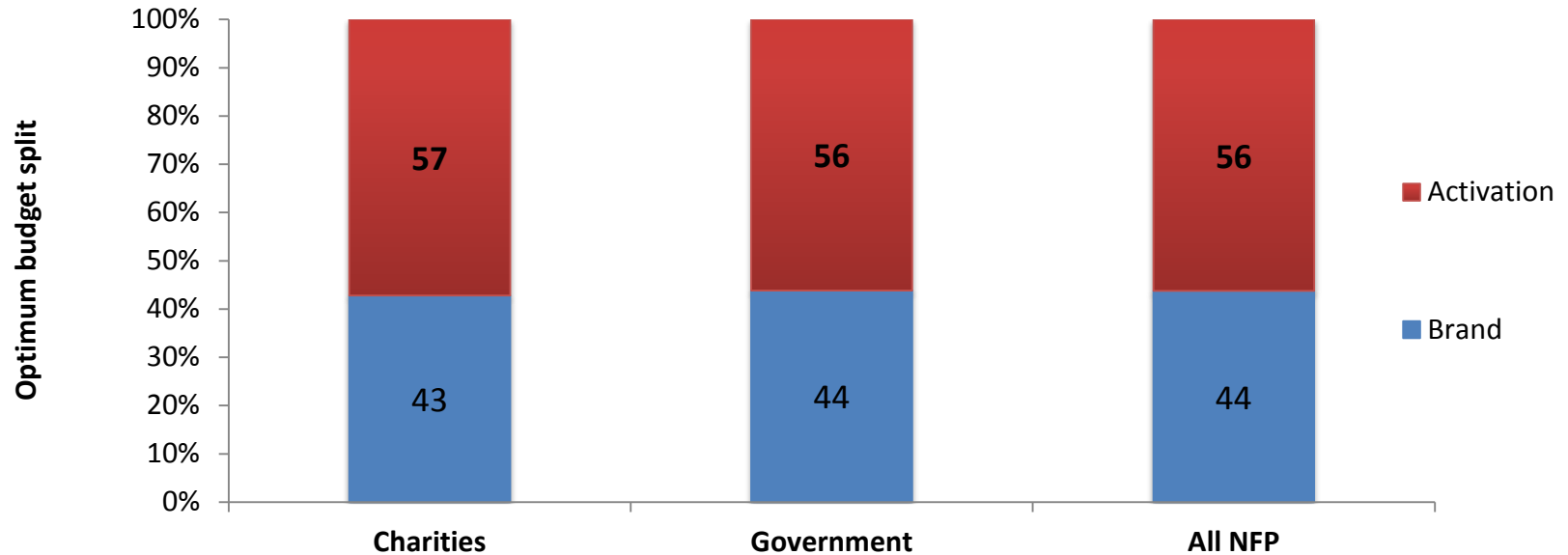


# Up-weight brand in Financial Services, down-weight brand in Other Services



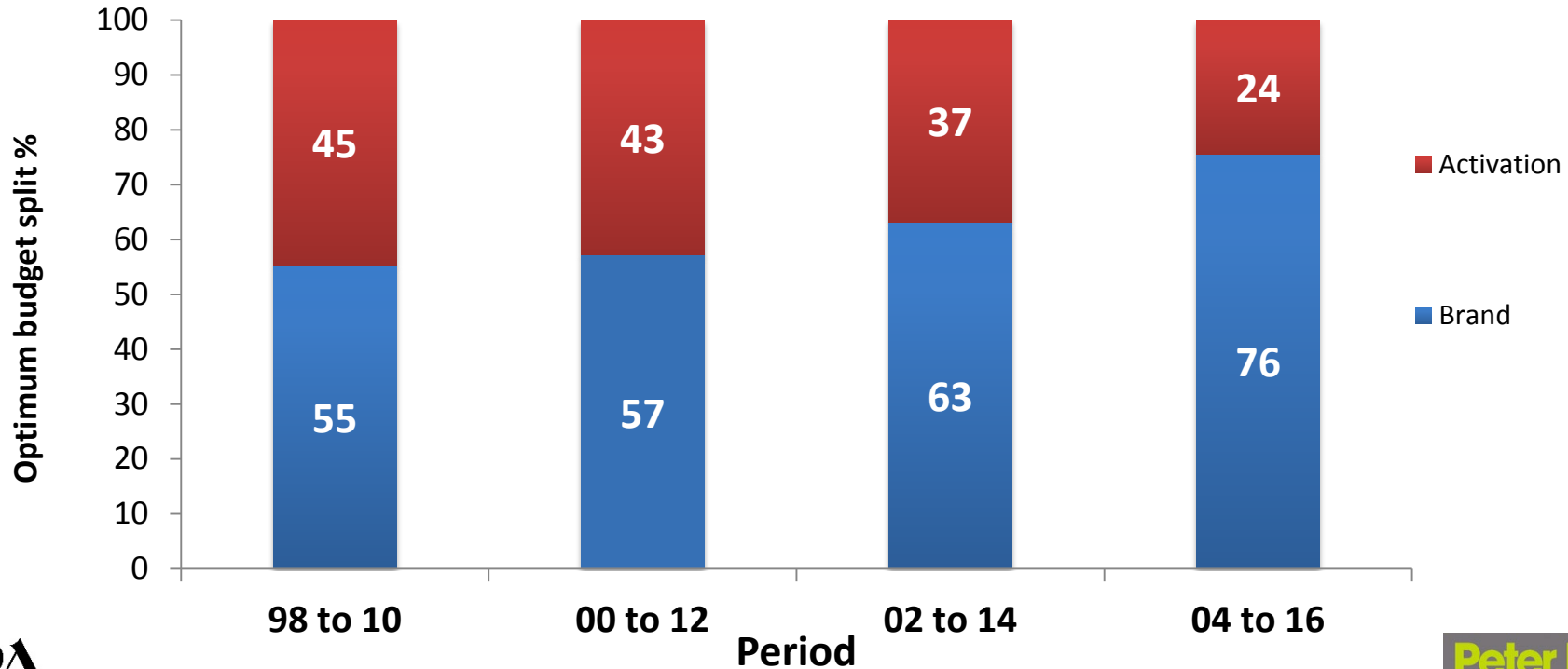
Source: IPA Databank, 1998-2016 for-profit cases

# What about the NFP sector?



Source: IPA Databank, 2012-2016 not-for-profit cases

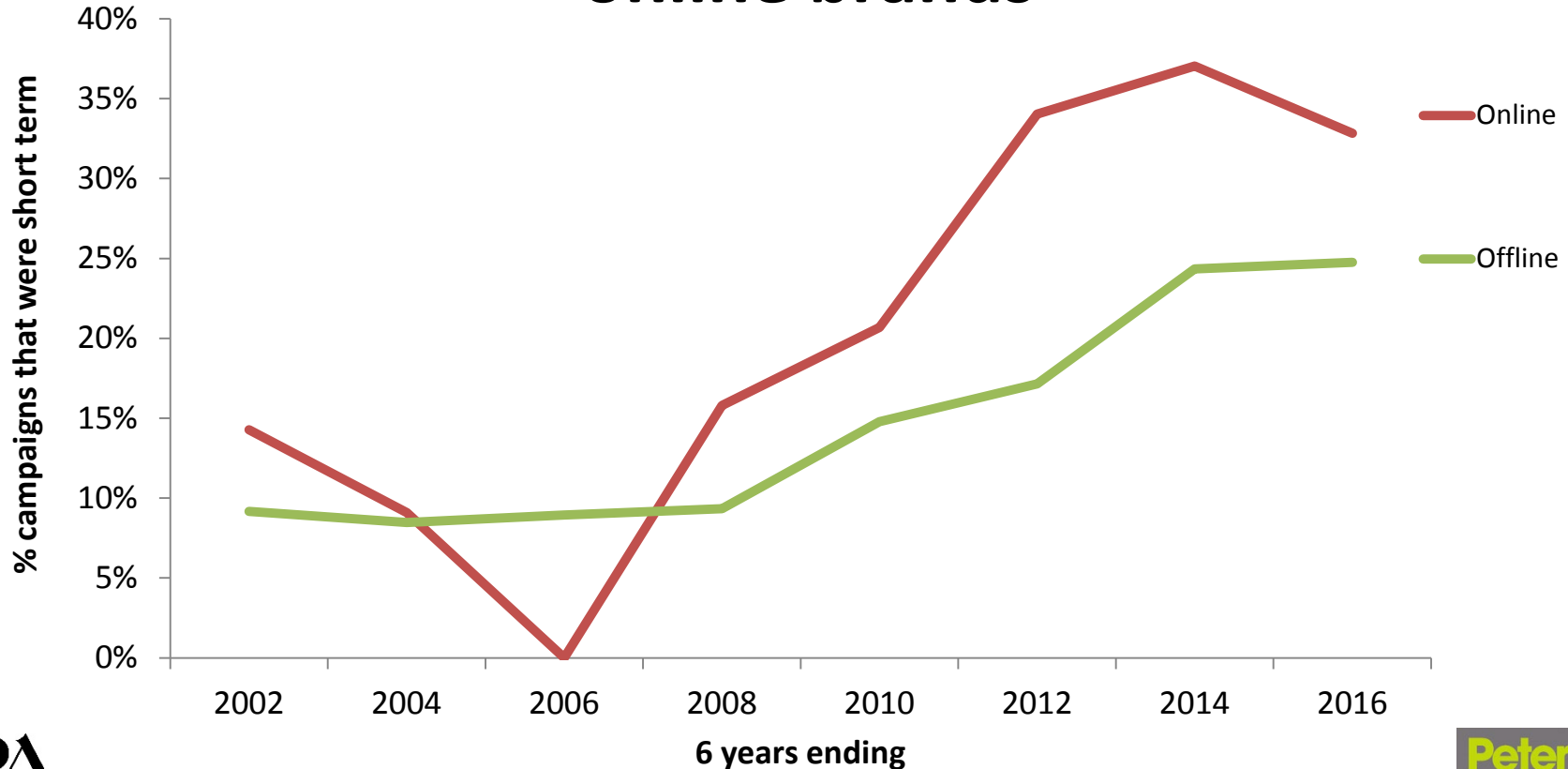
# The optimum balance is shifting



Source: IPA Databank, 1998-2016 for-profit cases

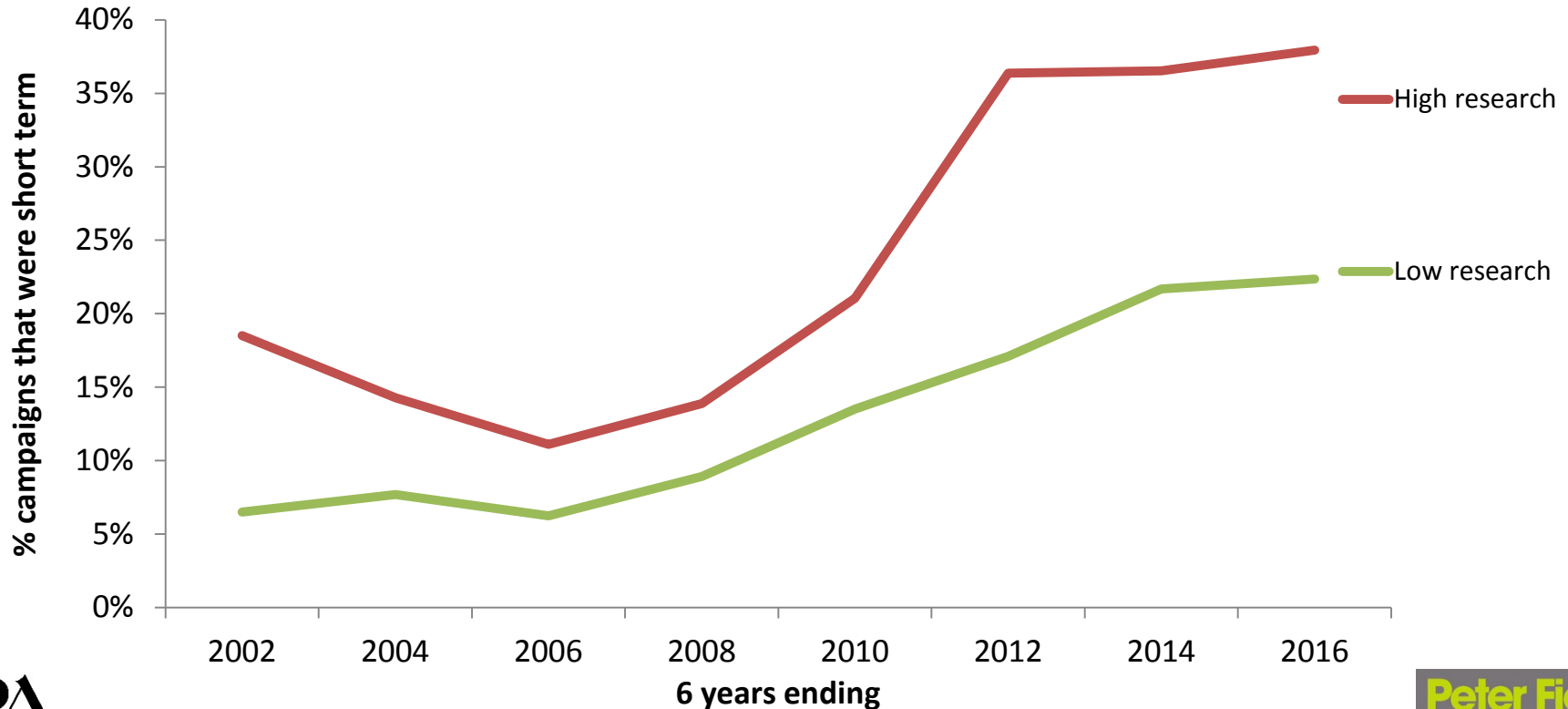
# The Activation Tide

# Short-termism has risen, especially amongst online brands



Source: IPA Databank, 1998-2016 for-profit cases

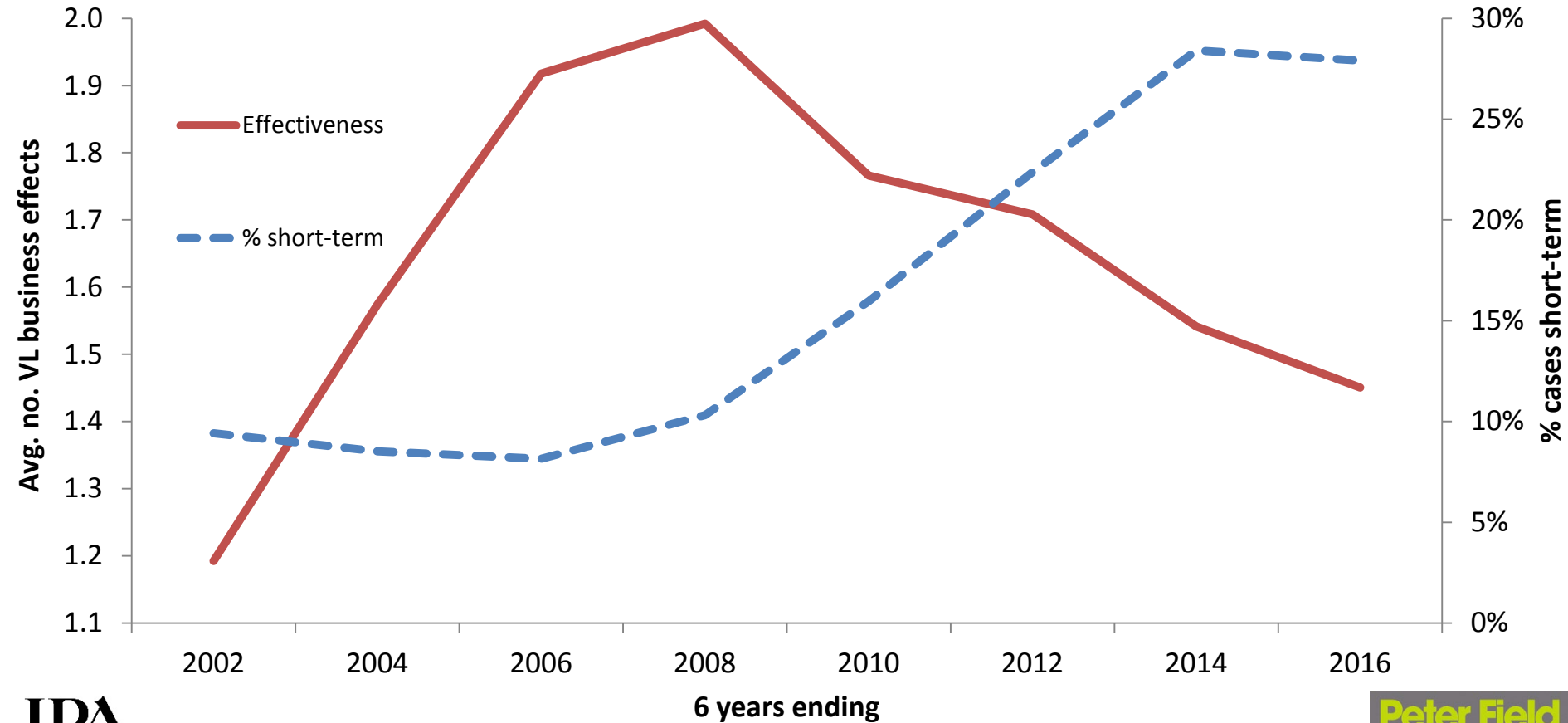
# Short-termism has grown most in high online research categories



Source: IPA Databank, 1998-2016 for-profit cases

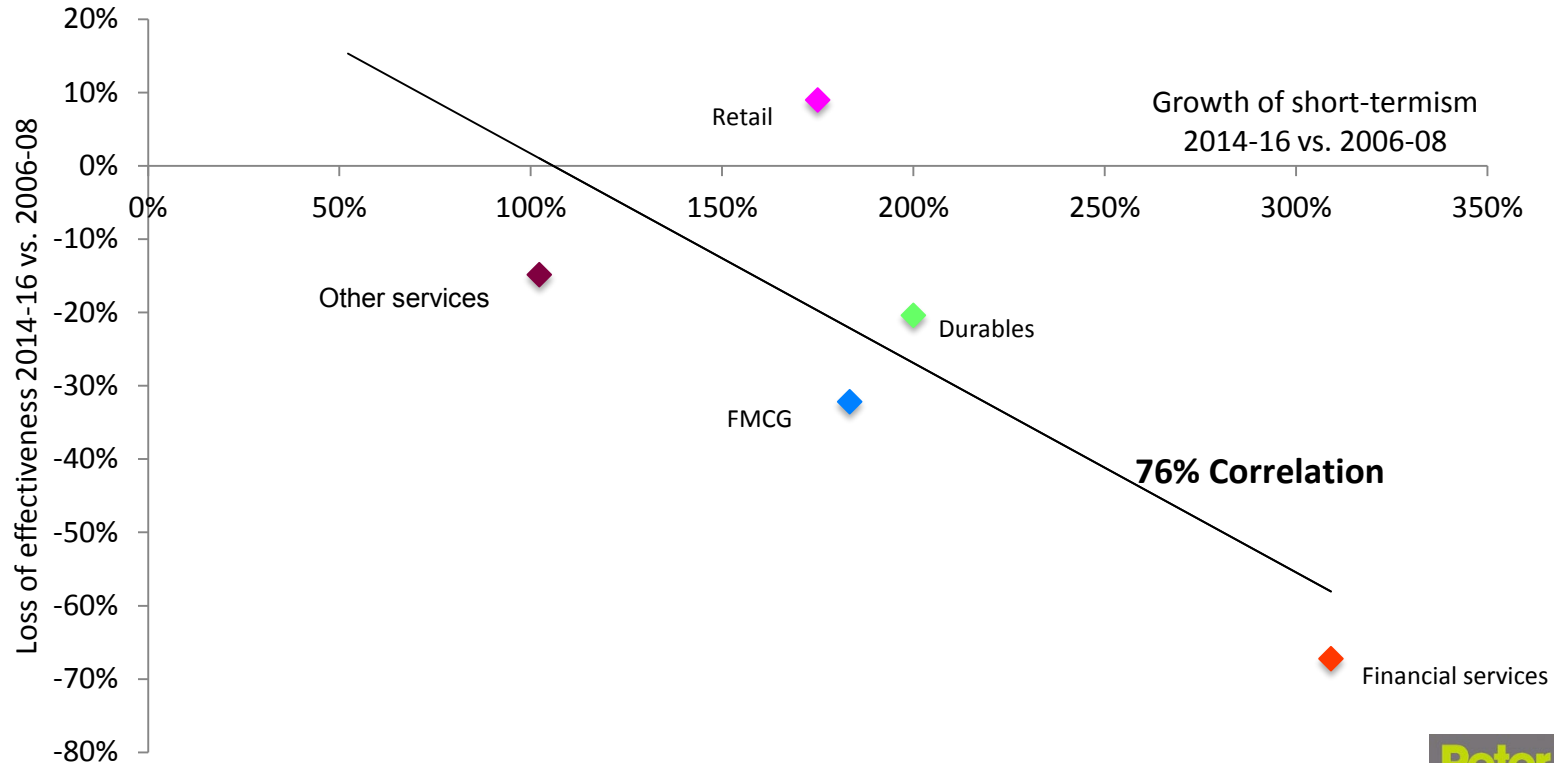


# As short-termism took off, effectiveness fell



Source: IPA Databank, 1998-2016 for-profit cases

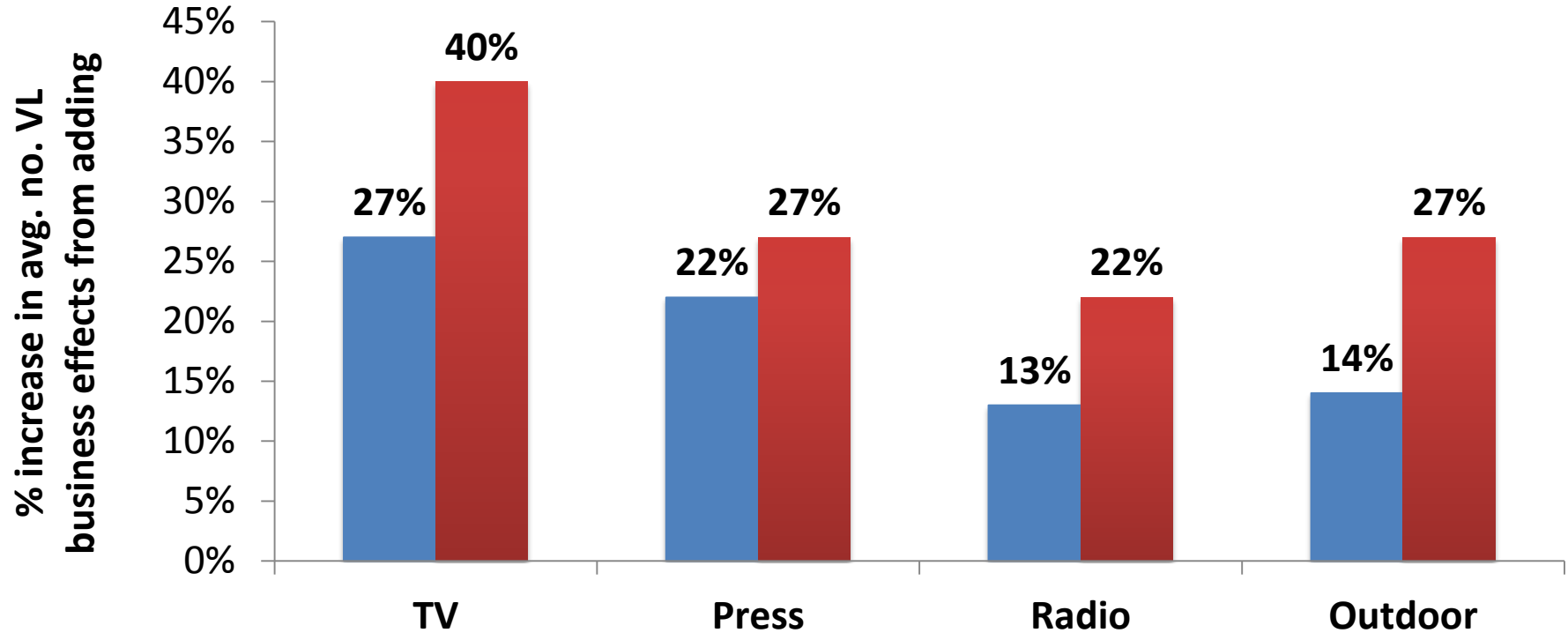
# Sectors that went short lost out



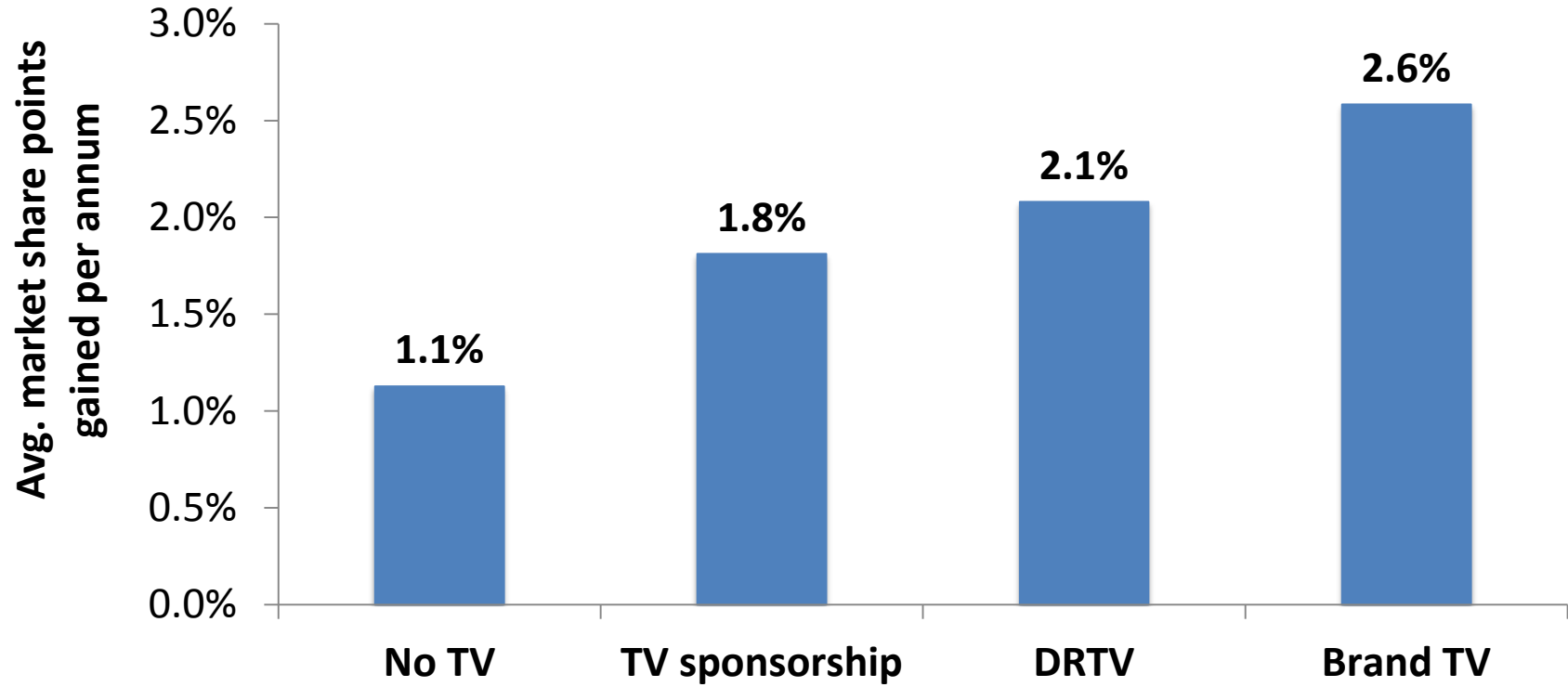
Source: IPA Databank, 2006-2016 for-profit cases

**Brand-building media are becoming more  
important**

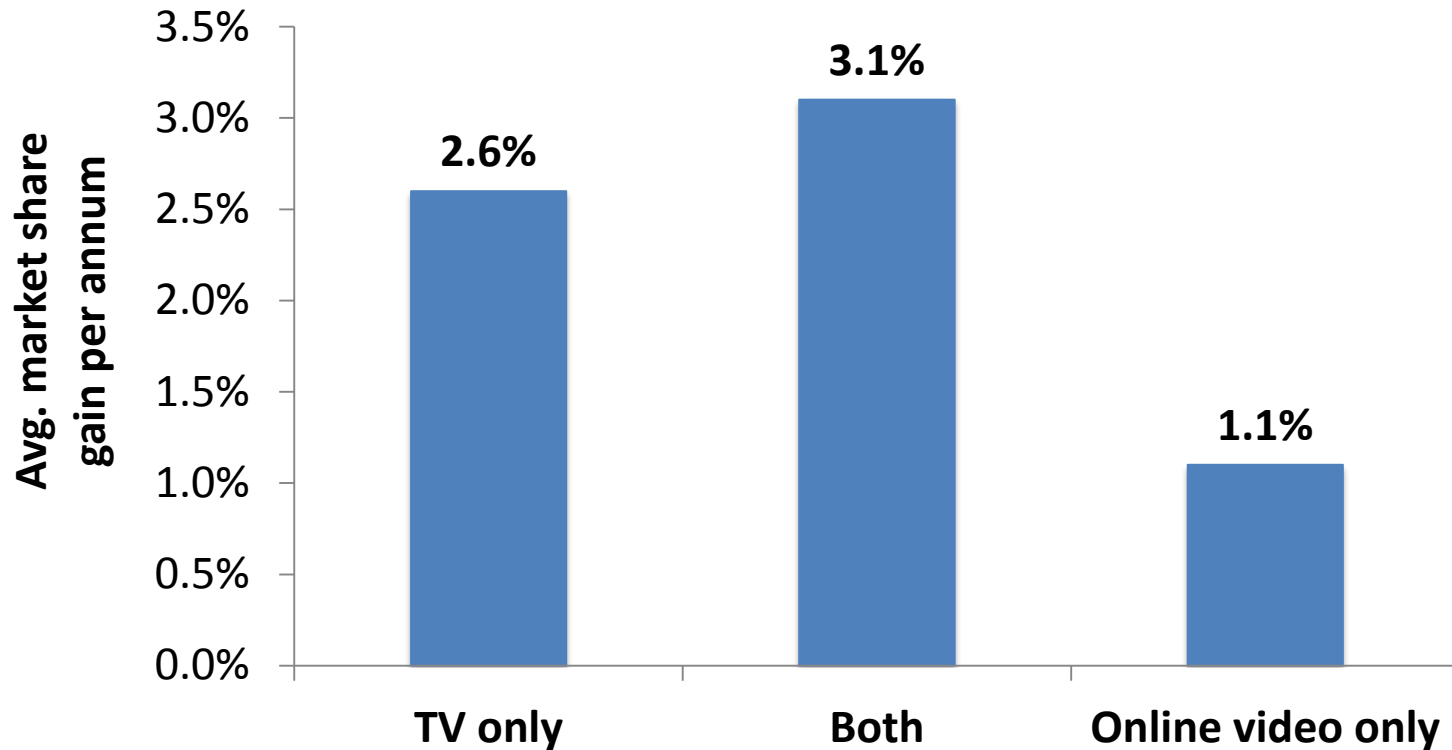
# Established brand media are working harder



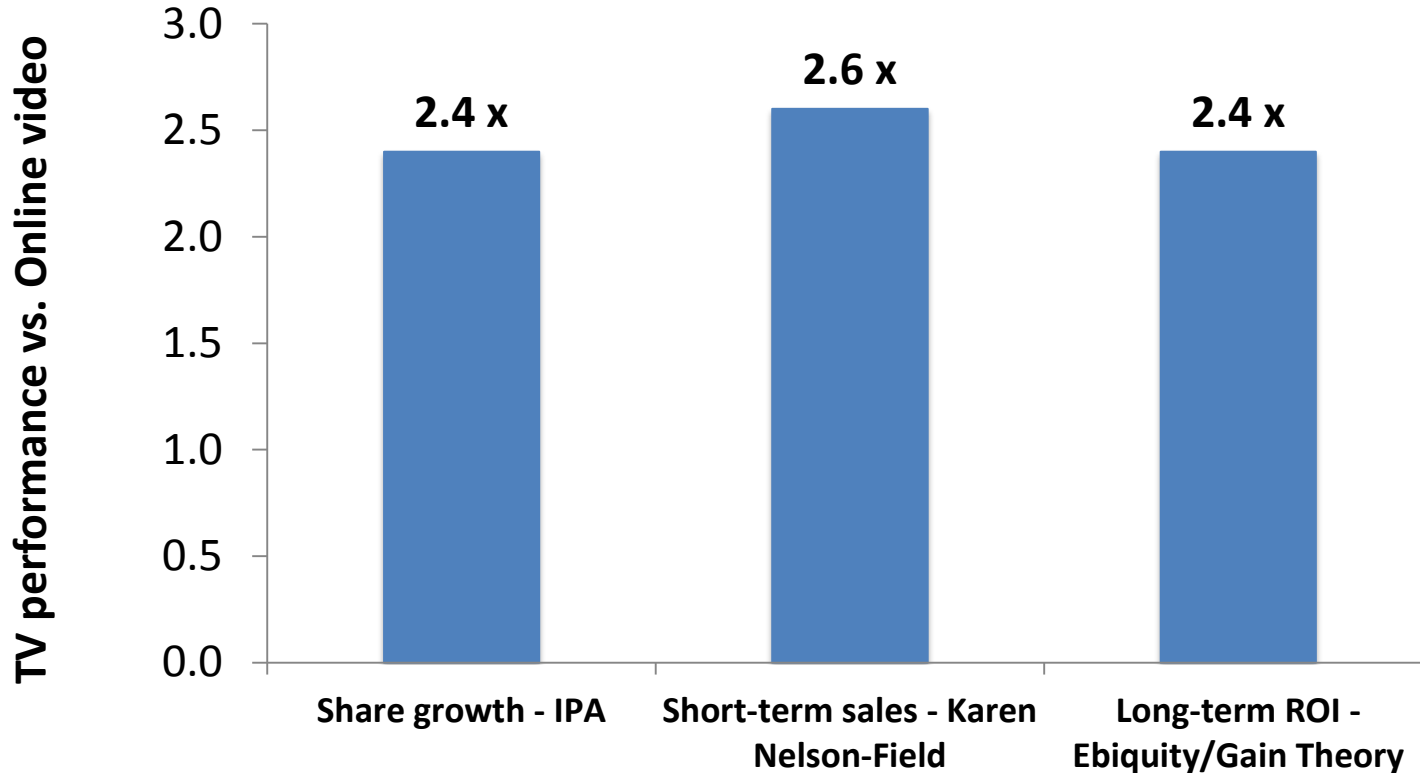
# TV is still best for market share growth



# Reach and Viewability drive growth



# TV consistently outperforms online video across 2017 research studies

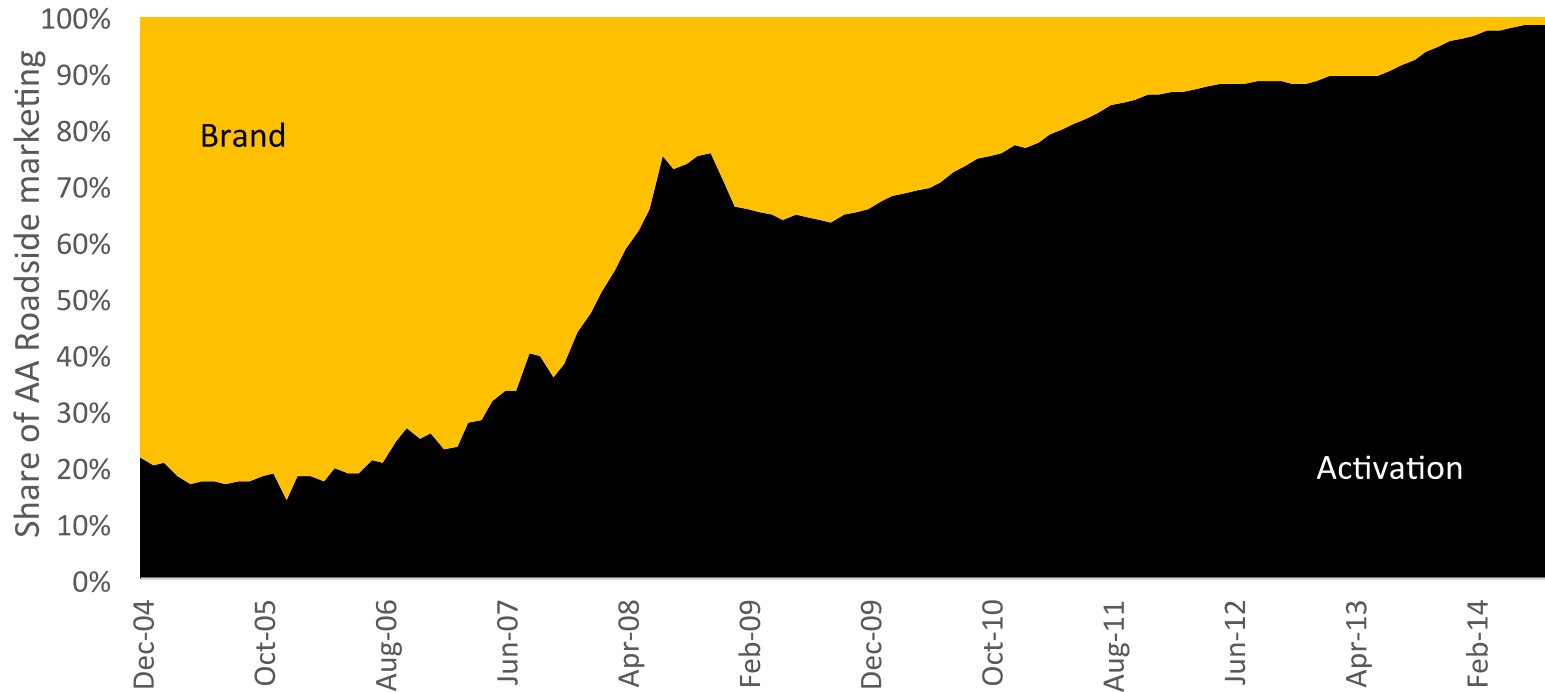


# Reversing the activation tide

The AA case study

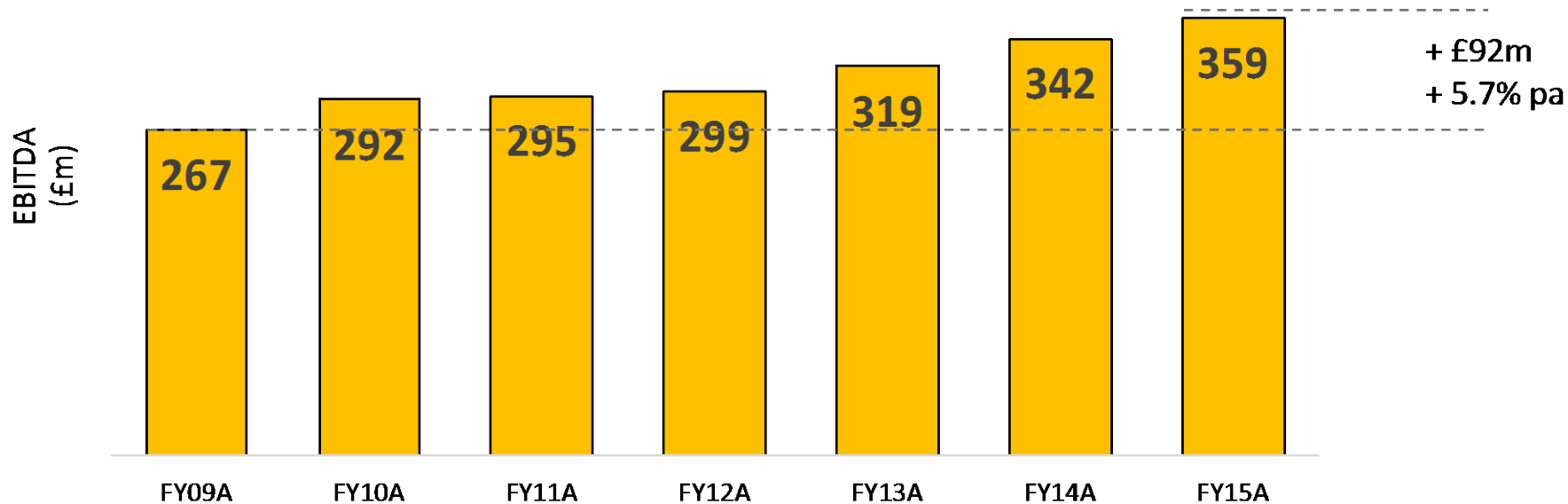


# The AA focus on 'hard working' activation



SOURCE: Addynamix

# Impressive profit growth



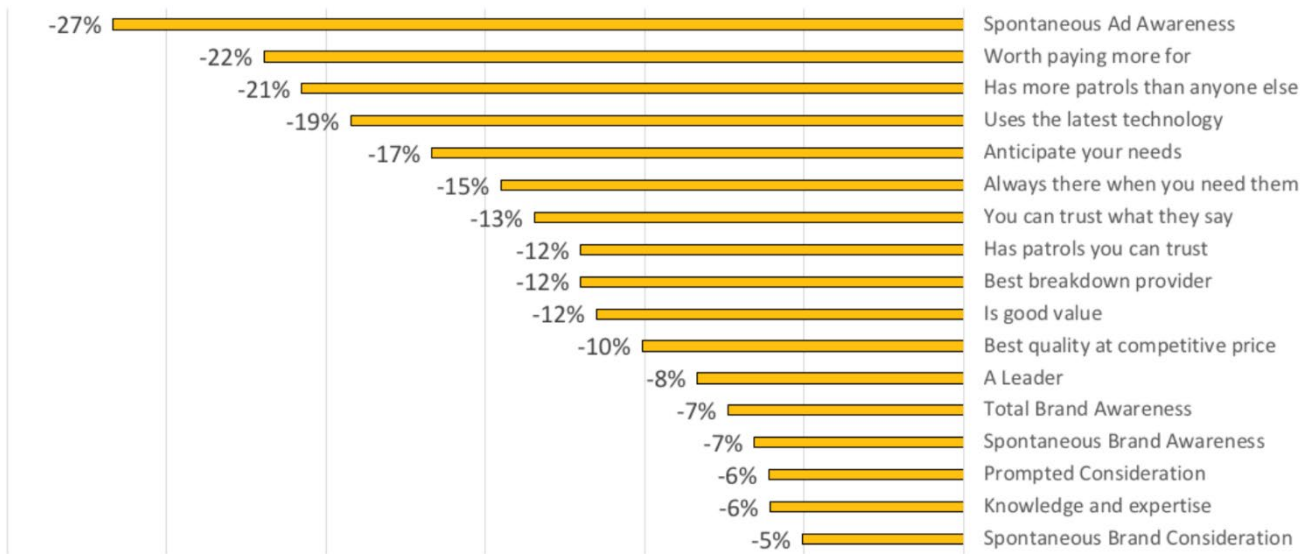
SOURCE: AA

# Case study: AA Roadside Assistance

- Brand activity cut in favour of “hard working” activation
- Initial discounts used to entice new members
- Renewal price hikes used to make up profit
- Highly profitable in the short term

**BUT...**

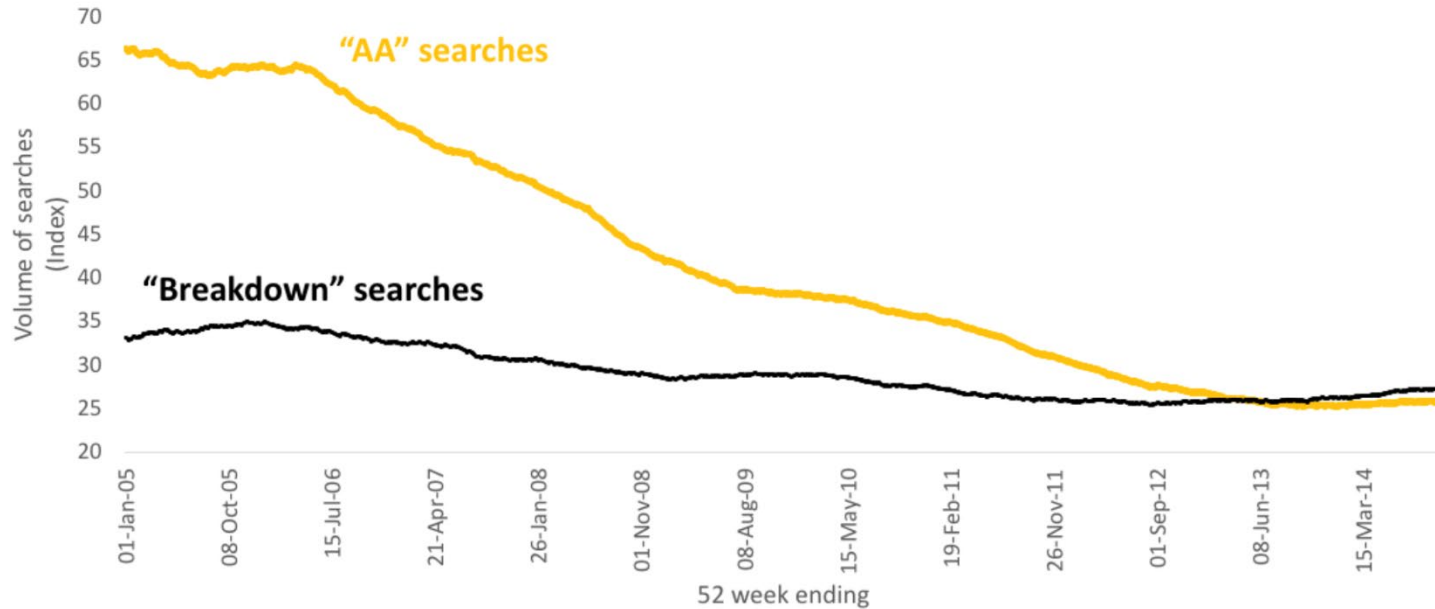
# AA brand metrics in free fall



% change in AA brand tracking Sep 08 – Jul 14

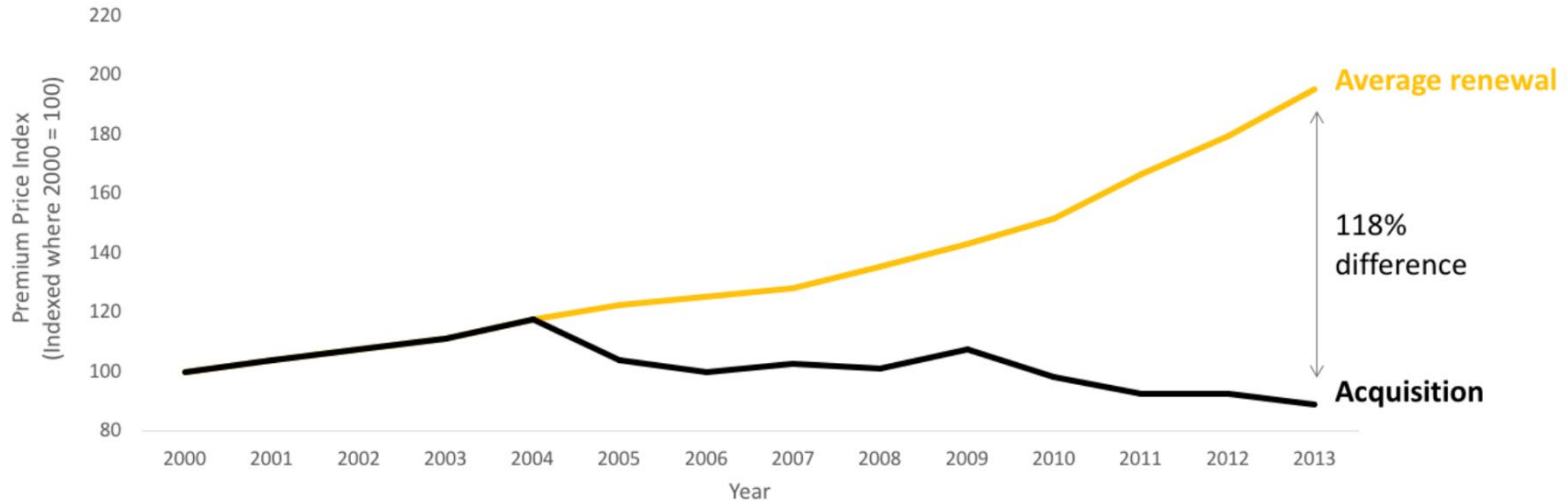
SOURCE: AA brand tracking

# Commoditisation: AA branded search



SOURCE: Google Trends

# Unsustainable AA pricing model



Option 300 (Roadside, Relay and Homestart)

SOURCE: AA

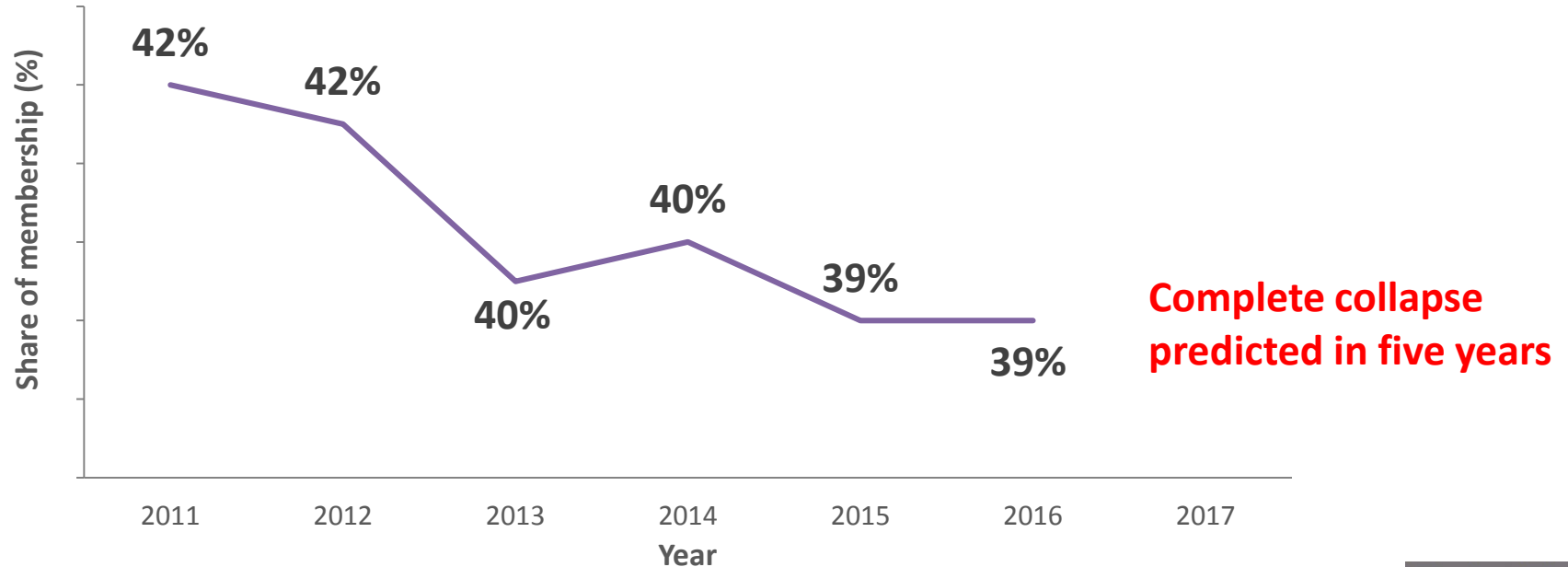
# Case study: AA Roadside Assistance

- Brand activity cut in favour of “hard working” activation
- Initial discounts used to entice new members
- Renewal price hikes used to make up profit
- Highly profitable in the short term

**BUT...**

- Brand metrics in free fall
- Whole category becoming commoditised
- Angry customers, churn increasing
- Bigger and bigger discounts required
- Market share declining
- Complete collapse predicted in five years

# AA market share decline



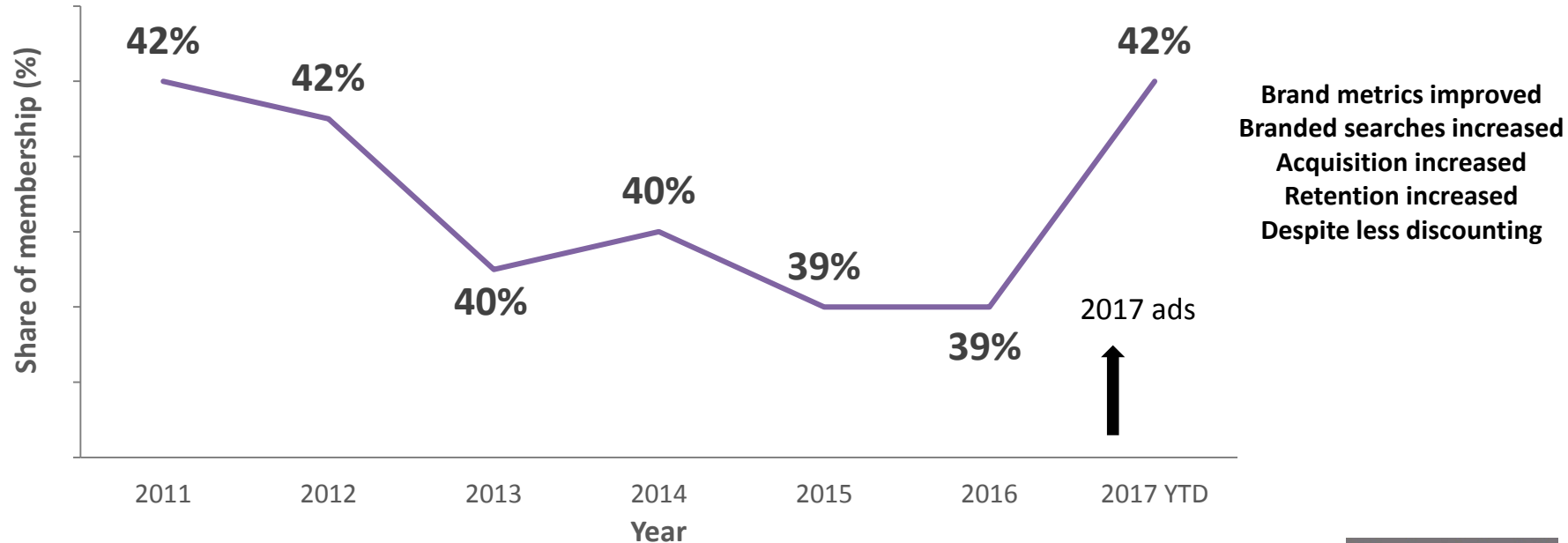
SOURCE: AA



# AA Roadside Assistance



# AA market share recovered rapidly



SOURCE: AA

# Conclusions

- Invest more in brand building where it is difficult
- Invest more in activation where it is difficult
- Brand building is becoming more important: the 60:40 rule is shifting further to brand
- This is making brand-building media more important
- We need to restore balance to budget deployment: allocate the recommended balance for your brand's context

Thank you

# EFFECTIVENESS IN/CONTEXT

A MANUAL FOR **BRAND-BUILDING**

think<sup>tv</sup>

In association with

