INSTITUTE OF CANADIAN AGENCIES | thinktv

The Alchemy of Effectiveness

A FOCUS ON CANADA

effie AWARDS CANADA

Contents

About the authors

Robert Brittain, Robert Brittain Consulting

Robert Brittain is an independent marketing consultant and strategic advisor to CMOs. A published writer and speaker in his field, Robert is co-author of the Australian Advertising Effectiveness Rules series alongside the globally renowned Peter Field.

Most recently Robert and Peter co-authored "To ESOV and Beyond" (2021), exploring the relationships between media investment (extra share of voice or ESOV), mental availability and business effects. The report proposes an exciting new future for media planning and measurement through the application of attention metrics. Prior to this their June 2020 publication "Winning or Losing in a Recession" provided timely guidance to advertisers and agencies as to how to navigate the COVID recession.

Prior to becoming an independent marketing consultant, Robert led marketing effectiveness at ANZ Banking Group and marketing analytics across the Asia-Pacific region at Mondelez International.

Peter Field

Peter spent 15 years as a strategic planner in advertising and has been a marketing consultant for the last 25 years. Effectiveness case study analysis underpins much of his work, which includes a number of important authored and co-authored marketing and advertising texts: Marketing in the Era of Accountability, Brand Immortality, The Long & The Short of it, Advertising in a Downturn, The Link Between Creativity and Effectiveness, Media in Focus, Selling Creativity Short, Why aren't we doing this?, Effectiveness in Context, The Crisis in Creative Effectiveness, The 5 Principles of Growth in B2B Marketing and chapters in Eat Your Greens, The Effectiveness Code and the Sage Handbook of Advertising. In April 2020 he updated his research from the 2008 recession with Advertising in Recession – Long, Short or Dark? His recent work in collaboration with Robert Brittain includes Winning or Losing in a Recession (2020) and To ESOV and Beyond (2021). Peter has a global reputation as an effectiveness expert and communicator and speaks and consults on this topic regularly around the world.

Foreword by Scott Knox

Finally, we have some effectiveness research and analysis based on the Canadian market.

All too often we have looked to insights form other markets to inform what we do to drive effectiveness understanding and success here at home. As a G7 nation with a sophisticated and diverse population it is important to have a solid and in-depth understanding of our own market: the creative, media, production and strategic choices that impact brand success. This is why the ICA has embarked on a long-term program of data gathering to build the country's first bank of knowledge and insights on and for the Canadian marketer.

The ICA's Alchemy of Effectiveness database together with the amazing creative, media, production and strategic talents of agencies and marketers across Canada will drive greater effectiveness and spotlight the world-class expertise that resides in our country. It will also serve to prove that marketing is not a cost, but our value exists as a turbo booster for long-term growth and innovation.

Scott Knox
President & CEO, Institute of Communication Agencies

think**tv** is a proud supporter of Effie Canada

While we appreciate clever creativity as much as the next person, we know it takes an effective ad to drive business results.

That's why one of our primary focuses at think**tv** is advertising effectiveness. While there is a wealth of outstanding research on this topic coming from the UK and US markets, we believe there's much more to be done in Canada, which is why we were delighted to partner with the ICA on this in-depth analysis of Effie participants' business outcomes.

And who better to lead this research than Peter Field, the guru of advertising effectiveness? Peter has spent years evaluating similar case studies from brands in the UK and Australia, and we're thrilled that he and his collaborator Rob Brittain are now using their expertise to provide insights on the effectiveness of Canadian campaigns.

What can Canada's most effective campaigns teach us about brand building and business growth? Read on to learn more.

Catherine MacLeod
President & CEO, think**tv**

Introduction

The emergence of COVID-19 in early 2020 caused a fundamental change in people's lives and resulted in an extremely sharp and deep recession. Advice as to how marketing should navigate the situation embraced the full spectrum from "best practice no longer applied" to those that extolled the virtues of "keep calm and carry on." Therefore, in many ways the 2020 recession is a test-bed for the future. It accelerated behaviour changes (sometimes temporarily) and it forced many companies to accelerate their digital transformation plans. So, it provides a window on the drivers of effectiveness for the next few years whilst also updating our learning on how marketing should navigate recessions.

For our part, we released a paper in June 2020 titled "Winning or losing in a recession" (Brittain & Field, 2020) where we were firmly in the "keep calm and carry on" camp. In our view, best practice marketing effectiveness principles were just as applicable during the 2020 recession as they ever had been. The insight from previous recessions was simple: those that continued to invest in their brands during the recession were the ones that roared out of it. And with the key challenge for businesses that survived the recession being to return to pre-recession growth rates for sales and profitability as quickly as possible, we believed that marketing was best placed in applying the lessons from the past. Whilst marketers were currently in the eye of the storm, it was critically important for them to retain focus on the future and plan for the recovery that would inevitably arrive.

Fast forward to today, and whilst some nations are entering the recovery more quickly than others, the corner is being turned and economic growth for 2021 to 2023 is forecast to be above trend. An increased pace of economic growth appears to be ensured, although the distribution will be uneven. Some businesses will roar out of the recession, setting a trajectory that their competitors cannot match and the way they invested in their brands during this recession, as in all previous recessions, will be a key factor.

It is critically important for us to continue to learn from the past and 2020 presents a unique opportunity to do so. In this inaugural report using the ICA's effectiveness database, we look at the performance of marketing campaigns during the recession and the lessons we can learn from it.

About the ICA effectiveness database

The data for this paper is sourced from the ICA's effectiveness database – the confidential data submitted alongside entries to the Effie Awards. The database covers a comprehensive range of campaign inputs (such as business context, campaign objectives, media budget and media channels) and campaign outcomes (business effectiveness measures). The analysis essentially examines how inputs affect outcomes.

The data in this report covers campaigns that were entered in the 2021 Effie Awards only. Whilst a campaign may be entered into multiple Effie categories, it is only captured once in the database.

The business effectiveness measures used in this report include the following metrics: brand profit growth, short term sales response, long term share growth, reversal of sales decline, customer retention, and new customer acquisition. Case study authors assess each metric on a 6-point scale of magnitude, from 1 (no effect/ not measured/not observed) to 6 (very large effect).

When looking at aggregate scores for business effects, an average score is calculated using the top box score only (6 - very large effect); this is stated as "average number of very large business effects", the higher the number the better. This is a broad measure of effectiveness.

Where relevant, the report also looks at individual metrics (e.g. brand profit growth). In these instances, the percentage of campaigns reporting top box scores is stated.

From a budget perspective, campaigns entered in the ICA's Effie awards were largely successful protecting their budget with around half of campaigns stating that the media budget was the same as the previous year. The other half is split almost evenly between those which had either a reduced or increased media budget.

Media budget change
(Since the start of March 2020)

Increased	Remained same	Decreased
18%	56%	26%

Note that we don't have information on the total marketing budget; however, for the most part, the market-facing investment remained intact.

Therefore, we are looking at the effects of campaigns that continued to invest during the 2020 recession and their effectiveness during this period. These are the campaigns that had the opportunity to position brands to take full advantage of the recovery we are seeing now.

Retaining a more balanced approach between brand and activation was a more effective strategy

The severity of the 2020 recession caused a huge contraction in demand across many sectors, with a few notable exceptions (such as Grocery and Online Retailing.) Reduced demand means that there are fewer potential new customers currently in market. In these cases, maintaining or increasing spend on short term sales activation makes little sense. Despite the overwhelming evidence of the power of brand building activity, most businesses spend less than 50% on it (well below the recommended 60%), so there is little point in cutting brand building further unless business survival depends on it.

In addition to this, early findings from System 1 had shown that during the March 2020 lockdowns in the US and UK, there had not been any general reduction in advertising's ability to connect with people. In addition to looking at the performance of new ads, System 1 also looked at a random sample of ads that had originally aired in January and February 2020. When retested, on aggregate, they connected just as strongly in the current environment as they did when first launched. People were not rejecting ads that ran before the pandemic hit.

The ICA database indicates that campaigns that were more evenly balanced between brand and activation were more effective during the 2020 recession, regardless of budget size. Whilst the balance is still a long way from the optimal of 60:40 in favour of brand (the more effective campaigns averaged 36:64), campaigns that were more effective had a lower allocation towards generating short term responses.

Avg no. of v. large business effects	% of media investment allocated to generating a short term/immediate response	Campaign media investment	
		Up to $1M	More than $1M
Zero	56%	50%	50%
1 or more	64%	40%	60%

The pattern holds as we look at investment and effects by budget level. Regardless of whether the campaign has a higher or lower media investment, campaigns that had a more even balance of investment between the long and short term were more effective.

Media investment	Avg no. of v. large business effects	% of media investment allocated to generating a short term/immediate response
Up to $1M	Zero	83%
	1+	69%
More than $1M	Zero	70%
	1+	61%

It is important here to start to delineate between different campaign types as the 2020 recession had the effect of giving rise to a raft of campaigns with special COVID messages. These special ads quickly became ubiquitous, were often stark and anxiety-raising to consumers, and did not have the vital links to brand memory structures that are present in brand campaigns.

The emerging learning in early 2020 was if you had a major useful initiative to talk about then do so; however, if that wasn't the case then brands would be best placed to continue with their current brand platform.

During the ICA's data collection, case study authors were asked, "Given the impact of COVID in 2020, what best describes the focus of this campaign?" They were then given a range of answers from which to choose. Using this information, we split the data to enable us to look more closely at the effectiveness of different strategies. The sample is divided into two groups.

Continuation: these campaigns are either a continuation of the existing brand platform/assets or retained their previous balance of long and short investment. These campaigns were primarily focused in the Food, Beverage, Retail and Financial Services sectors.

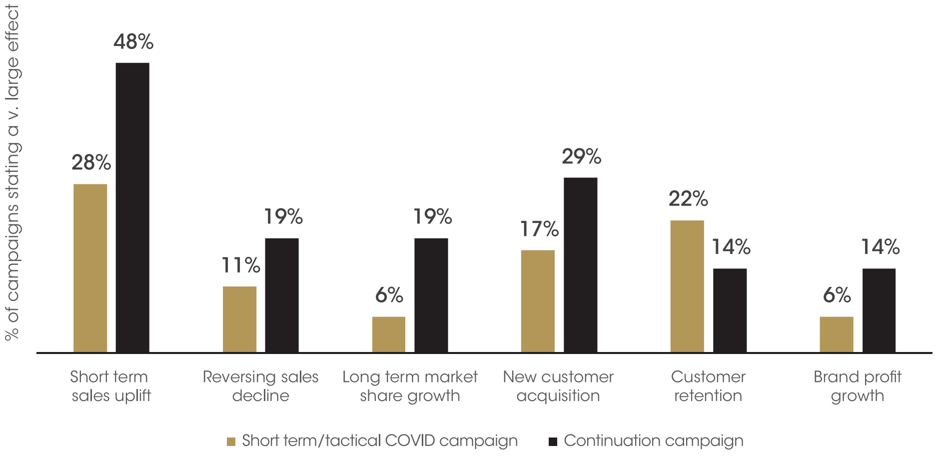
Short term sales response or Tactical COVID: these campaigns were focused on either driving short term sales revenue or tactical COVID messaging. The short term revenue focused campaigns were primarily focused in the Retail and Food sectors, whereas the use of tactical COVID campaigns was widespread across sectors.

Campaigns that continued with their existing balance of short and long investment or their current brand platform/assets delivered much stronger business effects.

	Avg no. of v. large business effects
Continuation	1.5
Short term/tactical COVID	0.9

In fact, continuation campaigns outperformed short term/tactical COVID campaigns on virtually every key business metric, driving stronger short term and long term results.

Continuation campaigns outperformed short term/tactical COVID campaigns on virtually every business metric



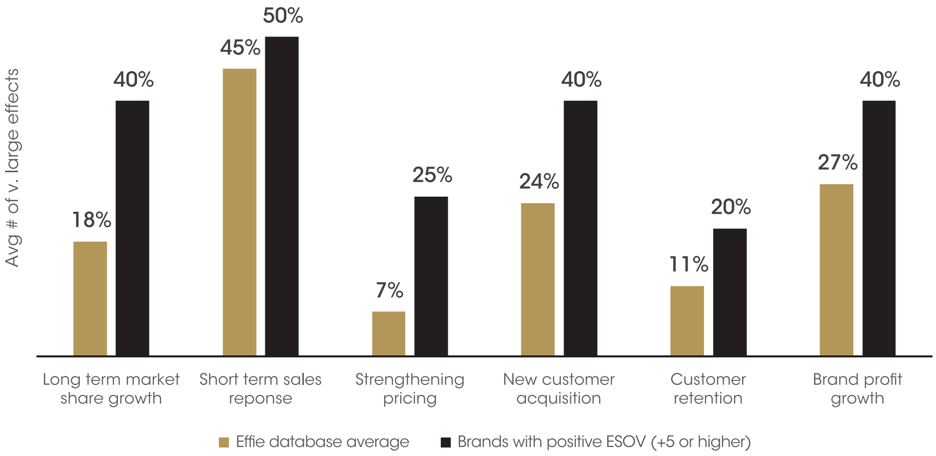
Amongst the short term/tactical COVID campaigns we observe much lower effects in driving short term sales, new customer acquisition and long term market share growth. There is some strength in customer retention; however, the results here may partly reflect an unfounded expectation that customers would defect, which in turn inflates the perception of the campaigns' achievements. This by no means makes up for the lack of effectiveness in other areas, the culmination being a lower impact on brand profit growth.

Share of voice had a strong impact during the recession

The impact of SOV was first investigated by John Philip Jones and published in the Harvard Business Review in 1990. Seeing that many advertisers determined a brand's advertising budget using a fixed ratio of advertising to sales, Jones investigated the effect of a brand's advertising intensity relative to its category competitors and showed that it was the brands whose percentage of the total category advertising spend (referred to as their "Share of Voice" or SOV) exceeded their market share percentage that saw market share gains. This is referred to as Excess Share of Voice (ESOV.)

Since writing "Winning or losing in a recession" in early 2020, we have carried out an extensive analysis of the impact of ESOV using the ACA Effectiveness Database in Australia and observed that its importance is greater than was previously understood. ESOV is strongly linked to a to a raft of long-term success metrics (for more detail, see our recent paper "To ESOV and Beyond" Brittain & Field, 2021).

Campaigns with positive ESOV drive stronger business effects



Source: "To ESOV and beyond"; Brittain & Field; June 2021

Critically, the analysis found that it was ESOV, not absolute media spend, that was more important to campaign effectiveness. Therefore, ESOV is a critical measure both for planning media investment and the interpretation of results.

Given this is the first year of case studies within the ICA's effectiveness database, we are unable to break out absolute ESOV levels; however, we know whether SOV increased, remained the same, or decreased for each campaign. This is important data because it shows whether the brand's advertising intensity has changed - a key factor in winning or losing.

The 2020 recession represented an unusual opportunity for those marketers with the ability to keep investing and an eye for a bargain. When advertising spending is in freefall (as it was in mid-2020), a modest reduction in a brand's advertising spend can result in an increase in real terms. Therefore, those still able to invest in advertising could dramatically change the brands share of voice.

Importantly, analysis from the IPA databank of UK campaigns during the GFC recession (2008) had shown that the penalty for under investing in SOV worsened during recession. Campaigns with negative ESOV were significantly less effective in driving market share and profit growth during the recession when compared to campaigns that under-invested in normal times.

Within the ICA database, no campaigns had decreased their SOV. In fact, some marketers were in the enviable position of being able to increase SOV from a reduced media budget as **23% of the campaigns that had an increase in SOV were funded with less money**.

Media budget change	SOV	
	Increased	Maintained
Increased	32%	5%
Remained same	45%	65%
Decreased	23%	30%
Total	**100%**	**100%**

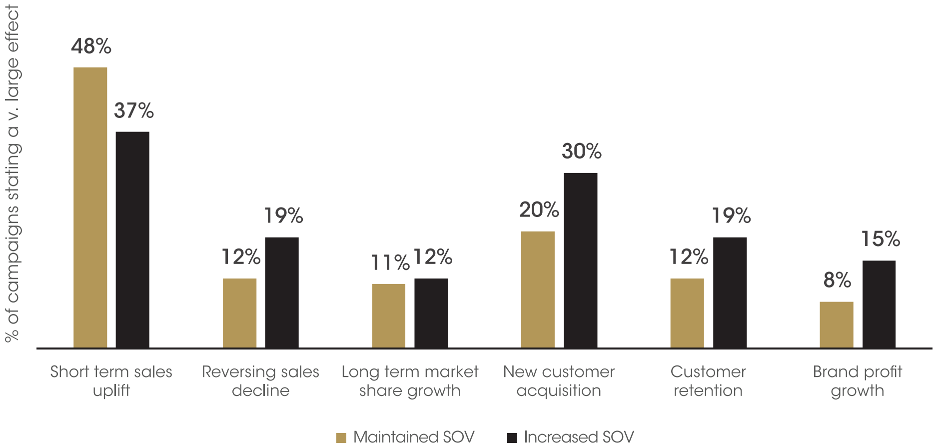
The question this raises is: did we see the same patterns in the effectiveness of SOV during the 2020 recession?

At an overall level, we see the pattern continue to hold as campaigns with increased SOV delivered stronger business effects.

SOV	Avg no. of v. large business effects
Increased	1.4
Maintained	1.0

Interestingly, increased SOV played a stronger defensive role during the recession. In addition to being more effective in driving customer acquisition, increased SOV also enabled stronger effects in reversing sales declines and improving the retention of existing customers. Overall, these led to a higher impact on brand profitability.

Effects of SOV changes on key business metrics during the 2020 recession



A key point of note is the higher level of effectiveness of maintained SOV on short term sales uplift. This is explained by a group of campaigns within the "maintained SOV" sample which were purely focused on driving a short-term sales response. These campaigns provided a temporary boost to this metric but had little effect across any of the others.

As we have already seen, the type of campaign has a significant impact on the effectiveness of marketing's investment. However, given the differences in the effectiveness by campaign type did these choices mitigate the power of increasing SOV?

Overall, we observed that increased SOV resulted in higher campaign effectiveness across both campaign types. However, there are again large differences in absolute levels of effectiveness. Short term/tactical COVID campaigns with maintained SOV (versus the previous year) delivered by far the worst outcome from a business perspective.

	Continuation campaigns	Short term/tactical COVID campaigns
Increased SOV	1.6	1.1
Maintained SOV	1.3	0.7

In fact, **when short term/tactical COVID campaigns were supported by increased SOV, they were still much less effective than continuation campaigns that maintained SOV**. Marketing budget spent on producing these campaigns would have been much better utilized in funding media for the existing brand platform.

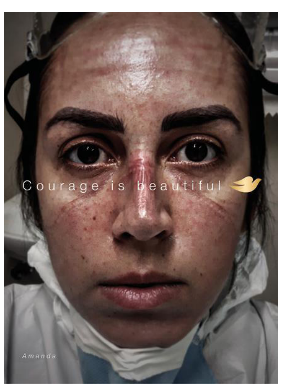
Case study

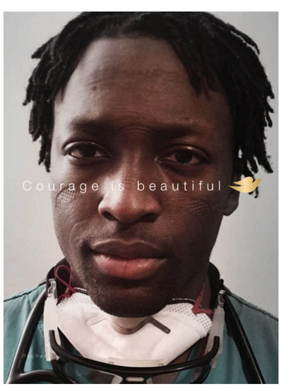
A good example of an effective strategic pivot whilst maintaining continuity with the existing brand platform is Dove's "Courage is Beautiful" campaign.

In early 2020, Dove needed a campaign to announce their commitment of over $7.5 million globally to support the frontline workers risking their lives in the pandemic. With no vaccine in sight and the world being thrust into lockdown, the simple act of washing hands regularly was a key line of defence against COVID-19. As the situation worsened, some frontline workers were driven to act. They started posting pictures on social media of their exhausted faces, bruised by protective masks after shifts; not for pity, but as a wake-up call to the rest of us to truly understand the seriousness of the situation.

Over the last 15 years, Dove has challenged the beauty ideal to be more realistic, advocating beauty that embraces all shapes, sizes and colours. The effectiveness of this positioning is evidenced by competitors moving into a similar "real beauty" space; however, during the early stages of the pandemic, Dove saw the opportunity to continue to redefine beauty lead by the insight that in times of crisis, beauty lies in what we do, not how we look.

The campaign idea was to help support the story started by the frontline workers social media posts, through showing the beauty in their acts of courage. This was achieved using the images of the frontline workers, accompanied by the simple message – Courage is Beautiful.

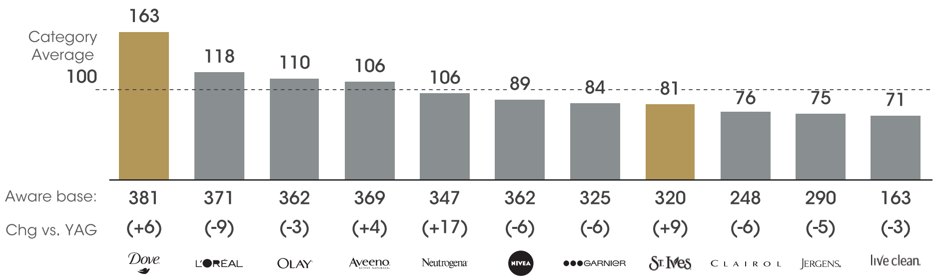




The campaign ran through April and May 2020, using video assets played over TV, digital video, and social channels. Media investment was increased versus the previous year resulting in growth in Dove's share of voice.

A key reason for the effectiveness of this campaign is its linkage to Dove's long-running Campaign for Real Beauty. The brand had something helpful and genuinely worthwhile to say and the imagery and copy line link strongly to Dove's memory structure, reinforcing the brand's perceptions in a relevant and emotionally engaging way. In doing so, it amplifies the effect of the increased share of voice.

The impact of Courage is Beautiful can be seen in its effect on memory. Dove's unaided brand awareness increased by +6pp, further extending its leadership amongst its biggest competitors.



Note: "Unaided brand awareness" intensity is referring to how many respondents are aware of a brand and where the brand ranked in the list of brands mentioned by the respondents.

TV led the campaign, reaching over 70% of the target market. An additional 17 million impressions were delivered via digital video with a 90% completion rate and a further 25 million impressions via social with a 32% engagement rate, far exceeding Dove's previous benchmarks.

Sentiment towards the campaign was overwhelmingly positive at 99%, and 33% of the target group surveyed (women aged 25-54) reported being aware that Dove was supporting frontline workers. However, perhaps the best indication of all was the reaction of the frontline workers whose images were used in the campaign. Their response was unanimous……"Thank you."

The use and misuse of emotion

The role of emotion in marketing campaigns is a frequent point of conversation. Many of our strongest memories are connected to emotions, be they positive or negative, and it's this which is most relevant to brands; campaigns that make people feel something when they see them have a much better chance of being encoded into memory.

Previous work by Binet & Field has shown that campaigns that connect with people emotionally have higher levels of effectiveness and are also more efficient, requiring lower levels of ESOV to deliver an equivalent effect to rational persuasion campaigns.

We see a similar pattern amongst the campaigns in the ICA effectiveness database, with campaigns that work through eliciting an emotional response showing a higher level of effectiveness.

	Avg no. of v. large business effects
Emotional	1.3
Rational	1.1

Note: sample excludes tactical COVID campaigns

The sample above excludes tactical COVID campaigns, the majority of which (71%) were focused on emotion. Given the lower level of effectiveness of these campaigns (they averaged 0.9 v. large business effects,) it appears that their stark and often anxiety-raising effects were an ineffective use of emotion. We shouldn't be surprised by this – advertising research has often observed that emotional responses need to end on a high for greatest effectiveness.

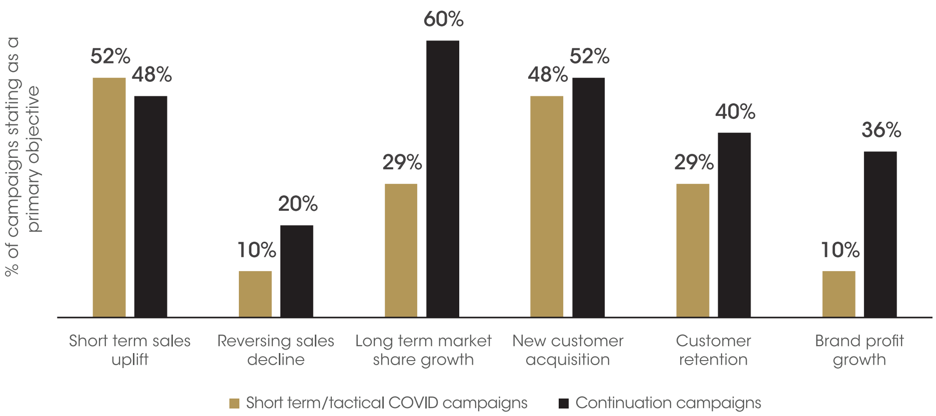
So, we have seen that short term/tactical COVID campaigns were the least effective choice for supporting brands during the recession. The next section will look more closely at why this was the case.

Short/term tactical campaigns showed a lack of planning

In "Winning or losing in a recession" we talked about the importance of market share targets during a recession. After all, if revenue growth targets aren't being met, performance relative to competition is critical context when discussing marketing's performance. If the brand is capturing a larger proportion of the in-market opportunity despite lower than forecast growth, then it is performing well in a tougher than expected environment. Our advice was to "get your metrics right" by understanding which business metrics were most relevant to marketing and focusing the performance conversation there.

Therefore, the objectives of the campaign are critical, and it appears that campaign objectives were a key contributor to the different levels of effectiveness between the campaign types.

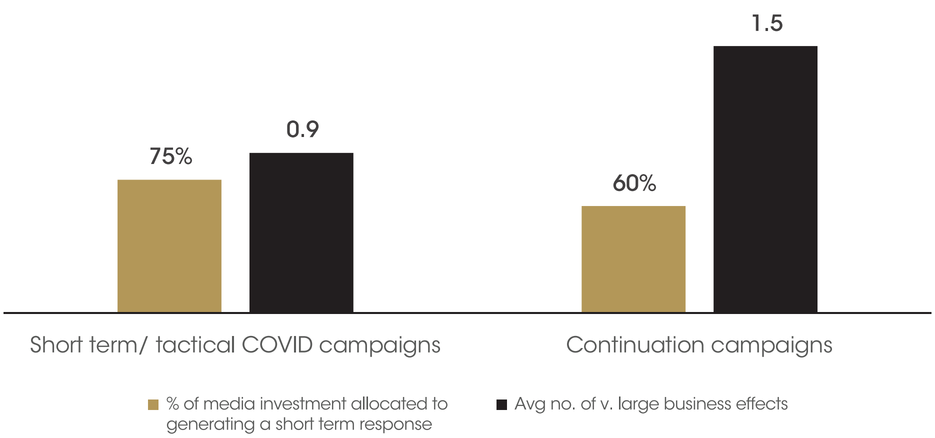
Short term/tactical COVID campaigns had a narrow focus on the immediate future, whereas continuation campaigns were well balanced across both long and short term objectives.



Short term/tactical COVID campaigns had a noticeably lower focus on growth in long term market share and brand profitability revealing a glaring gap in the strategy of these campaigns. They had a narrow focus on the immediate future, failing to position their brands to take advantage of the economic rebound when customer demand returns. This speaks to the level of panic in early 2020 which clouded strategic thinking, diverting marketing resources into damage limitation rather than continuing to build and leverage the foundations that had already been laid. These campaigns did not aim to achieve much, and this exactly what happened.

On the other hand, continuation campaigns were balanced across long- and short-term objectives and this is reflected in their performance and the balance of their investment. On average, 60% of media investment in continuation campaigns was focused on driving a short-term response as opposed to 75% for short term/tactical Covid campaign investment. At this point the ICA dataset is limited; however, it suggests that business effects peak at lower allocations to short term response than these – most likely around 50%. This isn't widely different from the more robust IPA recommendation of 40%. Either way, the data suggests that businesses went too short for their own good.

Continuation campaigns had a more even balance of investment in brand build and sales activation, delivering stronger business effects during the 2020 recession



It's worth noting that short term revenue campaigns were primarily in sectors where there was an increase in demand (particularly Food and Retail). In a situation where short term demand increases, then focusing investment here to maximize the opportunity makes sense.

However, continuation campaigns and tactical COVID campaigns were more widespread across sectors. Demand changes occur at the category level; therefore, it is likely that in many cases there has been a choice made between two approaches, i.e., continue to build on what we were already doing or do something new to reassure people that we're still there. Of these two choices, the ICA database indicates that continuing to build on what we were already doing was, by far, the better choice. In our view, the case for focusing on brand building remains strong regardless of the situation and the evidence suggests that, as in previous times of recession, it is the brands that followed this approach that are more likely to return to pre-recession levels of sales and profit growth more quickly.

Learnings from Covid – Summary

It is our intent that the evidence in this paper be used to support the marketing case and simplify the choices confronting marketers during times when unexpected events take the world in a different direction. Whilst 2020 was one of the most difficult years that many of us will have experienced, it has provided a valuable opportunity to build on our knowledge of how to navigate recessions.

Whilst the cause the 2020 recession was unique, the ICA database indicates that the learnings from previous recessions still applied, and it is the marketers and agencies that maintained a more even balance of investment in brand building and sales activation activity and continued executing against their current brand platform that have seen the greatest success. The need to retain stability during a crisis is much easier to say in hindsight, so those who were able to do so should be commended.

Strategic choices played a huge role in marketing effectiveness; however, we can also clearly see how these enhanced or undermined the investment behind campaigns. Regardless of whether brands maintained or increased their SOV, those that chose to pivot to short term/tactical COVID activity saw, by far, the weakest business results. If the investment had been focused on continuing what they were already doing, the data indicates that their impact on the business would have been much stronger. In addition to this, the non-working investment required to produce new campaigns could have been used to fund higher investment in media. So, it's possible that these brands lost twice, once with the strategy pivot to short term/tactical COVID campaigns and again with reduced working media investment as a result.

What this shows is that, regardless of the situation, it is more effective to continue building on the foundations that have already been laid. Regardless of whether the activity is long or short, it relies on the brand's memory structure. This is why it's not a case of "either/or"; it's both, with a 60:40 balance towards brand building being optimal. The importance of balance is clear in this analysis, as campaigns that had a larger allocation to brand building activity were more effective. However, the balance amongst the more effective campaigns (at around 40:60) was still well short of optimal, highlighting that there is still considerable opportunity for marketers to move in this direction.

Whilst 2020 accelerated behaviour changes and the digital transformation of businesses, the evidence suggests that the fundamental principles of marketing effectiveness remain unchanged. As a marketing community, we should take heart from this as it provides greater stability behind the strategic choices we need to make.

For more information please contact Leah Power, EVP, Strategic Operations Consultant, **leah@theica.ca**, **www.theica.ca**