












WHEN GREAT MINDS THINK ALIKE

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When Great Minds Think Alike.

A review of all we have learned about marketing and advertising effectivenesses in the last 20 years.

This paper has been produced by Jon Bradshaw at Brand Traction, one of Australia's leading marketing capability consultancies.

INTRODUCTION

JOINING THE DOTS BETWEEN THE LATEST FINDINGS IN ADVERTISING AND MARKETING EFFECTIVENESS.

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JOINING THE DOTS BETWEEN THE LATEST FINDINGS IN ADVERTISING AND MARKETING EFFECTIVENESS.

We have learned a lot about advertising and marketing effectiveness in the last 10 years. We know more about how and why people make the choices they do and how to affect those choices. We know how successful brands keep growing and what we need to focus on, in order to drive brand growth. For all its increasing complexity, we have learned a lot about media, and how to use it, to best achieve positive outcomes for the brand. We even understand some of the rules around creativity and what makes for a good ad vs. a bad ad.

HIDDEN GEMS

Sadly, all this richness is mostly hidden in dusty and dry research papers, textbooks that nobody bought, and online blogs nobody read. But we have learned a lot. From some very smart and well-researched people.

Most of the marketers I meet around the world might have dipped into Byron Sharp's "How Brands Grow", or more likely have read one of the many, dumbed-down, online précis you can find of that excellent text. If we are lucky, they might also have read one of Les Binet and Peter Field's most excellent papers. I get it, I used to be a marketing director too. Life's way too busy to be reading text books and white papers.

JOINING THE DOTS

What's really interesting to me, however, are the overlaps and crossovers between the various works. When we join the dots between everything that's out there, we start to see some really interesting patterns and themes. To get to that point, unfortunately, you need to read. A lot.

In the last 12 months I've finally overcome my academic lethargy and read and distilled nearly 30 different major works on everything from behavioural economics, to media and creative effectiveness and all points in between. I started with the obvious; Kahneman, Sharp, Binet, Field, et al, and then really pushed out, into the broader reaches of study into the field. Goldenberg, Mazursky, and Solomon anyone?

CRITICS AND TROLLS

It's possible to pick holes in almost any of these pieces of work if you're an accomplished enough statistician or, painful enough pedant. Hardly a day goes by without someone having an online pop at Byron Sharp. Even Les Binet and Peter Field came in for some (mostly unwarranted) analytical stick recently. I think such focus on the minutiae often misses the point, though. A bit like pointing out that we had a cold winter, doesn't refute the body of work on climate science. Picking statistical holes, in specific studies, ignores the fact that as a whole, we appear to be approaching some broad consensus, perhaps something we might start to call universal truths.

Even if we are not, surely, it's better to act on this vast body of knowledge as if it were true, rather than just keep on wildly guessing what the right answers might be?

THE SHORT OF IT

So, I've taken all these great published works, written by these great minds, and tried to make it into something more useable and digestible. I've obviously turned it into this dry and dusty white paper, because, "doh!". I've broken that paper into smaller chunks, in a fruitless attempt to make it easier to read, and also, more importantly, to fill the yawning, empty chasm that is my inbound marketing content plan.

I have also built, what is hopefully, a much less dry and dusty series of practical, implementation-focused, training sessions for marketers. In so doing, I have undoubtedly done the original authors a multitude of disservices. My hope is that even in my vast dumbing down and misrepresentation of their greatness, I might pique enough curiosity for people to search out the original texts and learn a thing or two.

BEFORE WE PROCEED, PERHAPS WE SHOULD FIRST TRY AND REACH SOME CONSENSUS ABOUT WHAT MARKETING AND MARKETING EFFECTIVENESS IS?

WHAT MARKETERS DO

I define marketing in simple terms;

"Marketing's job is to profitably, get more people, to buy more stuff, on more occasions, at higher prices." - Jon Bradshaw 2016

As marketers we invest an organisation's assets, in order to persuade large numbers of people to part with their hard-earned cash, for the things we invent, construct and inherit. We do this by leveraging a series of shortcuts and heuristics for our consumers we call brands. Marketing effectiveness happens when we do that stuff well. What we have learned about that role in the last 20 years or so, is summarised neatly in the following dichotomy.

"Marketing is much less powerful than most people believe, and much more powerful than most marketers practice."
- Probably not Jon Bradshaw 2018

I somehow feel I have stolen the essence of this quote from someone, but can't for the life of me find the source. Feel free to claim it as your own.

One thing is for sure. In today's complex landscape, marketing effectiveness ain't easy. In essence, it's hard to get humans to do the things we want. We are not easily persuaded, and we are certainly not persuaded by the things many of us used to call "persuasion". As the media and brand landscape got more complex, the way to solve this puzzle has got harder. That's why I have turned to people far smarter than me for the answers.

This paper and the associated training, however digested, is broken into five sections.

1. **HOW TO INFLUENCE BEHAVIOUR**
2. **HOW BRANDS GROW (AND HOW THEY DON'T)**
3. **WHERE SUCCESSFUL BRANDS FOCUS THEIR MONEY AND ATTENTION**
4. **HOW MEDIA WORKS, OR DOESN'T**
5. **HOW CREATIVE IMPACTS EFFECTIVENESS**

Over the next few pages we will take each of the five areas in turn.


HUMANS MAKE IRRATIONAL,
EMOTIONAL DECISIONS,
NOT RATIONAL, ECONOMIC
ONES MOST OF THE TIME.

SECTION 1

WE HAVE A MUCH RICHER UNDERSTANDING OF HOW PEOPLE BEHAVE AND ARE INFLUENCED.

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WE HAVE A MUCH RICHER UNDERSTANDING OF HOW PEOPLE BEHAVE AND ARE INFLUENCED.

MARKETER AS BEHAVIOURAL SCIENTIST

As marketers, our distinct role in the organisation is to persuade consumers to choose our brands over others. To get people to behave in the way we want, in a way that drives a commercial outcome. To profitably get more people, to buy more things, on more occasions, at higher prices.

We are then, the behavioural scientists of commerce. Or at least we should be. In recent years, we have made huge strides in the behavioural sciences that give us a much better understanding of why we humans behave as we do, and how to shape that behaviour. It's mostly depressing reading, that demonstrates we haven't really got that far from the fires of the cave and the fear of the sabre-toothed tiger.

THE SCIENCE OF SPENDING

Behavioural Economics is the study of why we choose to buy what we buy. 'Rational Choice' theory was the foundation of modern economics. It is a theory that assumes that human actors have stable preferences and engage in maximizing behavior. This theory has been widely debunked. Amos Tversky and Daniel Kahneman published a number of papers in the late 70's and early 80's that undermined the ideas about human nature held by mainstream economics.

If our role is to persuade people to choose our offer over others, understanding how and why people choose, and how to affect those choices, has to be a fundamental start point. We just need to apply a healthy amount of 'so what', to bring this complex, often academic, arena, into our world.

THE FAST AND SLOW ELEPHANT

Any review of the research on behaviour really needs to start with Danny Kahneman's Nobel prize-winning work, “Thinking Fast and Slow”. If there is one source text, this is it.

Jonathan Haidt in “The Happiness Hypothesis”, brilliantly dramatises Danny's findings, by describing our minds as in two parts; like a rider, sat upon an elephant. With the elephant very much in charge, most of the time.

In “Thinking Fast and Slow”, Kahneman shows us that 95% of our decisions are made emotionally and instinctively, by the System One metaphoric elephant, not rationally, by the System Two rider. We rarely sit down, weigh up the relative features and benefits, and make rational economic trade-offs. We usually let the elephant decide, using a series of biases, heuristics, short-cuts, emotions, and instincts.

As marketers understanding this insight is critical. We have to learn to work with the elephant, not against it. Understand that people will rarely be persuaded to choose a new path versus the one they are on. That the choices they make will have more to do with how they feel about something, than what they think. That they can be nudged and encouraged in a certain direction, but not easily reversed, or turned around. That we need to build things that appeal to their emotions not their brains. That long lists of differentiated features and benefits might make us feel good, but probably won't get considered by the herd of elephants we want to buy us.

WE MAKE DECISIONS IN ONE OF TWO MODES OR SYSTEMS

DANIEL KAHNEMANN, “THINKING FAST AND SLOW”

SYSTEM 1
INTUITION AND INSTINCT

95%

Unconscious
Fast
Associative
Automatic pilot
Biases and heuristics

SYSTEM 2
RATIONAL THINKING

5%

Slow
Logical
Indecisive
Economic
Reason and intellect

START WITH THE BEHAVIOUR YOU WANT, NOT THE AD YOU WANT TO MAKE

No wonder then that people’s relationships with brands are very different to how we might have thought. They are not thinking about brands very much at all.

Understanding this and being clear about what is, and isn’t, possible needs to be at the heart of any marketing plan. Any good marketing plan should begin by defining the behaviour it wants to affect. Not the tactic it wants to deploy. It’s why persuasive advertising should probably be the last thing we think about as marketers, rather than the first. Let’s first make sure we have a product or service that meets a real need and solves a real problem. Let’s make sure it’s widely available and easy to buy. Let’s price it in a way that signals its value to consumers and identifies where it fits in the category frame in which they are shopping. Let’s do everything we can to make it easy for the elephant to stumble over us, before we start trying to persuade it to choose us over others. Taking the first step to marketing enlightenment, means we need to understand and work with this system, not against it.

BEHAVIOUR = MONEY

The other good thing about starting with behaviour, is that we can link behaviour change directly to the P&L, in a way that’s very hard to do with things like brand tracking. More people, buying more stuff, on more occasions, has a simple mathematical relationship to revenue that any business can connect with. Explaining to the CFO why growing your “brand liking” score to 81.7% is worthy of investment, can be a tough conversation. Explaining that you want to make 10,000 people, spend $10, twice in the next 12 months makes for a much more engaging meeting. And rightly so.

“Call it behavioural economics or the psychology of spending, all of us, whether we know it or not, take our emotions, eccentricities and idiosyncrasies to the cash register.”

DR. RICHARD THALER, UK BEHAVIOURAL ECONOMICS UNIT (THE NUDGE UNIT)

"The mind is divided in many ways, but the division that really matters is between conscious and reasoned processes (system 2) and automatic and implict processes (system 1).

These two parts are like a rider on the back of an elephant. The rider's inability to control the elephant by force explains many puzzles about our mental life, particularly why we have such trouble with weakness of will."

JOHNATHAN HAIDT "THE HAPPINESS HYPOTHESIS."

THE FOGG CLEARS

B.J. Fogg at Stanford has a great way of thinking about a more practical application of the science of behaviour change. What he suggests, is that to get the elephant to do the things that we want, we need to pull on three potential levers; motivation, ability and triggers.

MOTIVATION

We need to make, shape and invent things such that our brands and products are inherently, emotionally appealing, distinctive, memorable, and salient. Make things people actually want and need. Solve real problems that people have. Innovate with real insight. It's not enough that it practically works. It needs to trigger a more emotional response. Antonio Damasio says it well;

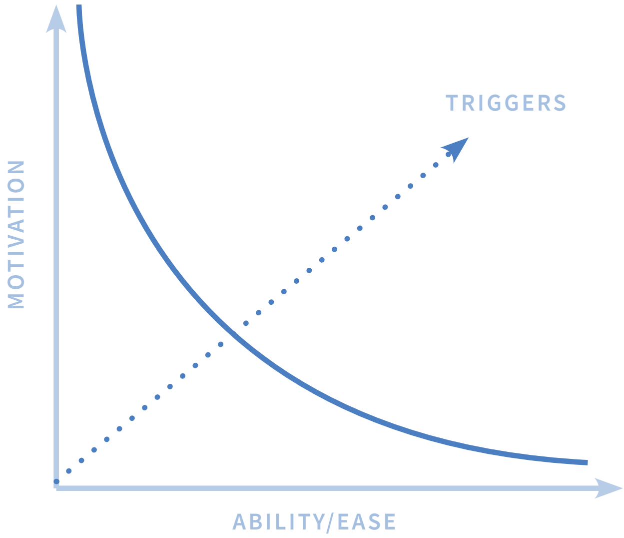
"We are not thinking machines that feel; rather, we are feeling machines that think." - Antonio Damasio

We then need to communicate with the elephant. Trigger and prime their emotions. Get remembered. Be salient. Worry less about features and benefits and differentiation. The elephant doesn't care much. Worry much more about being desirable, distinctive and memorable. Or create what Byron Sharp, in How Brands Grow, calls mental availability. An emotionally primed recall of the brand's distinctive and memorable assets. The message of our communications is much less important than we used to think. Of much more importance is the need to stand out and get noticed, then get remembered and correctly recalled. This is the language of elephants. On messaging, we will discuss more later, when we get into the realm of creative effectiveness.

EASE (OR ABILITY)

The second job is to make our brands easy to buy. Get rid of the practical and mental barriers to purchase. Be widely available. Be easy to choose. Be simple to find. Be easy to understand. Reduce complexity. Erase tensions. Dispel myths. Simplify brand architecture. Improve the customer experience. Layer service over product. Find new distribution points and new routes to market. Create physical availability (Also ref: Byron Sharp.)

Simplify, simplify, simplify



B = M*A*T
BEHAVIOUR = MOTIVATION x ABILITY x TRIGGER

SOURCE B.J. FOGG 2007

There's so much for the marketer to do here. This isn't the sexy world of creative development. This is the brutal world of sub-brand killing and SKU count reduction. Of doing less activity, not more. Of reducing the number of pain points on the customer journey. The hard-graft world of shoppability and UX. Perhaps the single, biggest and most effective change a marketer can make is to make the brand experience easier and the product simpler to buy. These are rarely the sexy end of the marketing role.

It takes a great ad-man to explain best, why advertising isn't always the answer:

"You can try to change people's minds, but this is difficult. You can bribe people to change their behaviour, but it's expensive. Far simpler is to make the new behaviour easy and enjoyable in and of itself." - Rory Sutherland, 2017

TRIGGERS

Once we have a consumer motivated to buy our thing. Once our product or service is easy to access and pain-free. Then we can then consider pulling triggers, to ensure they pick us, not one of the other five brands they also regularly buy. At their simplest, triggers look much like a price promotion, a gift with purchase or a chance to win. Australian marketing has long had a somewhat misplaced obsession and love affair with the good old-fashioned promotion. The world of behavioural science now offers us some more sophisticated options about how we might trigger that final all important choice.

CIALDINI'S SIX PRINCIPLES

A good place to start is with Robert Cialdini's six principles of influence. These six core biases alone, create a powerful toolkit that helps us nudge consumers to choose our brand over the competition. (ref: The Psychology of Influence and persuasion, Robert B Cialdini. 2011). Really understanding just these six powerful shapers of behaviour can really drive up the tactical effectiveness of your communications, web design and experience design.

There is a richer, "weapons of persuasion" tool-kit, to be uncovered that includes a much broader array of techniques. Behavioural science has now identified over 150 biases and heuristics (rules of thumb) people actually rely on to navigate the world of choice. These biases shape how we behave and once understood can be used to make behaviour change programs significantly more effective.

THE SIX PRINCIPLES OF INFLUENCE

1. RECIPROCITY. Human beings are wired to basically want to return favours and pay back our debts. Give a little to get back a lot.

2. COMMITMENT AND CONSISTENCY. We have a deep need to be seen as consistent. Once we have publicly committed to something or someone, we are much more likely to go through and deliver on that commitment. It's why those of us locked into Apple's system are happy in our walled garden.

3. SOCIAL PROOF. People do what they observe other people doing. It's a principle that's based upon the idea of safety in numbers. Its why don't easily choose an empty restaurant over a busy one.

4. LIKING. The more you like someone, the more you'll be persuaded by them. Sadly its why attractive people make better salespeople and why we prefer to buy things from people who are 'like' us.

5. AUTHORITY. People have a tendency to obey figures of authority, or even just those with the appearance and symbols of authority. Stick a man in a white coat in your ad and watch the effectiveness increase.

6. SCARCITY. When you believe something is in short supply, you want it more! "Only a few left", is a powerful call to action.

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WHY BYRON THINKS BE IS BS

Byron Sharp rightly gives the whole field of behavioural economics a bit of a dressing down in an article in Marketing in July 2014. It's all a little overwhelming. 150+ biases to navigate. And deeply tactical. There are bigger fish to fry, than understanding the "Lake Wobegone Effect". Too much focus on biases and heuristics can trap us into becoming more tactical and less strategic in our approach to marketing. There will always be a part of the marketing role, however, that is about getting someone to buy tomorrow, versus longer-term more strategic brand building. More of that later. But if we want to get people choosing us tomorrow, really understanding how choices are made, needs to be a critical new skill set we develop.

More importantly the founding principles of behavioural economics; that of the rider and the elephant, and sub-conscious, low attention, fast buying, are the bed-rock on which we should build our brand plans.

So What?

HOW TO OPERATIONALISE THE LEARNING

1. Stay focused on the consumer. Remember how little they think, how hard it is to get them to do something new, and how irrationally and emotionally they decide things. Don't fall for the 'you are like your consumer' fallacy.

2. Invent with insight. Create stuff that has deep emotional resonance and solves real problems that people have. Design for the user not the manufacturer.

3. Build your plan around the three pillars; motivation, ease and triggers. Make tough strategic choices about where to focus. If in doubt, make stuff easier.

4. We need to be honest with ourselves about the role advertising is likely to play. And prioritise making things easier, when budget shove comes to push.

5. Try to do less trigger-based stuff. If you must use triggers, experiment with nudges, biases and heuristics, that go beyond the free tinny and beach towel.

SECTION 2

WE KNOW WHAT MAKES BRANDS GROW.

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WE KNOW WHAT MAKES BRANDS GROW.

THE SHARP END

Hopefully, you have at least heard that someone from Adelaide suggests that brands grow best by increasing penetration. By finding large numbers of new people to shop and choose the brand. And that the more we focus attention on other levers, like loyalty, the less successful we will be in growing our brands. If you haven't at least stumbled across Byron Sharp, The Ehrenberg Bass Institute and "How Brands Grow" I have no idea how and why you have read this far.

THE DIRICHLET

In countless studies across multiple categories. consumers' shopping behaviours have been shown to consistently follow a series of predictable norms. They follow a pattern called the Negative Binomial Distribution (NBD) - Dirichlet. Which is a complex, sciencey way of saying all brands, in all categories, have a large number of light and lapsed consumers, and very few heavies. And that light consumers account for much more volume than we might expect. Usually around 40% of all sales and 80% of all a brand's shoppers or users. This pattern is exaggerated further when we look at "ultralights" or people shopping less than once a year. Kantar WorldPanel identified that over 5 years Ultralights alone accounted for 40% of sales on average across 22 categories and 220 brands.

THERE IS NO EVIDENCE THAT FREQUENCY STRATEGIES WORK.

Whilst mathematically, getting a smaller number of heavies to buy more frequently might make sense, actually making that happen has proved beyond almost any brand in any category, which is why we see this repeating NBD-Dirichlet curve in every category studied. These studies include subscription brands and other categories where the buying cycles are much longer than classic FMCG. The biggest brands have the biggest penetration. If we could get heavies to buy more, we'd see it in the data, but we don't.

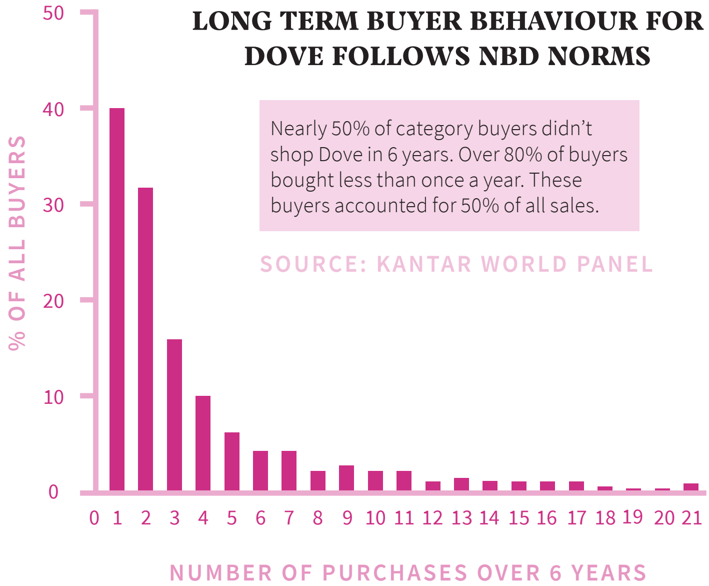
Researchers are still looking for brands and categories that don't conform to NBD-Dirichlet norms but as yet have found none. In "Eat Your Greens", an excellent new collection of writings on the topics of effectiveness, Wiemer Snijders says;

"Why plan to change the shape of the NBD? In 60 years of research, no brands - from global market leaders to start up challengers - have been found with anything other than NBD loyalty." - Wiemer Snijders, Eat Your Greens

This is why penetration growth is seen as the only way to grow your brand in any category. Other strategies do not work. Or at least have not yet been proven to work.

HEAVY TODAY, TOMORROW?

It's also important to note that people's brand buying patterns are not consistent. Today's heavies are tomorrow's lights. The whole notion of segmenting and targeting by regularity of shop is a little flawed when we discover that people's behaviour isn't stable. I might be 'super heavy' today, and switch to being a light by next month. Then back again. Some stable regular shoppers, of course exist, but they are the minority, not the norm. Again, a clear indication



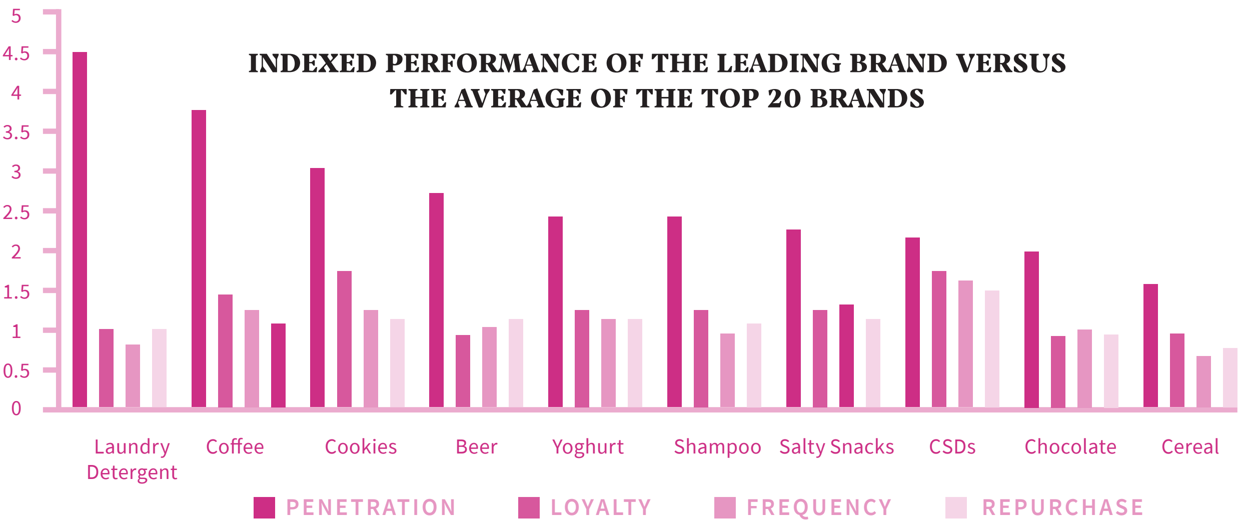
to drive recruitment against the largest mass of consumers you can, not focus on the few.

WHEN WE RECRUIT NEW CONSUMERS, WE RECRUIT ACROSS THE NBD.

Recruitment and penetration activity will acquire a group of new customers, who will exhibit a predictable NBD-like, spread of ongoing shopping behaviours. Some heavies. Many, many, more lights. Actually, one of the other key findings in How Brands Grow - the double-jeopardy law - shows that as we gain more consumers, brand 'loyalty' (effectively frequency) also grows. Big brands have a bigger share of shopper requirements. So, focusing the marketing effort on penetration growth also builds frequency in the only way we know how.

IT'S NOT ALL ABOUT BYRON

Byron Sharp and the Ehrenberg Bass Institute "own" this new insight. And there's plenty of unfounded comment out there that usually starts, "ah, yes but, for my brand, in my category…". or an incorrect critique of the lack of longitudinal sales data. What these people miss (other than a life) is that it's not just Byron forming this conclusion. We keep stumbling over these fundamental concepts, any time anyone does any kind of study in this field. Les Binet and Peter Field see it in the IPA data-bank. Bain and Co. have reported similar findings in their work. Wiemer Snijders and the Commercial Works see it in their client data. Kantar keep reporting the same patterns in all their data. The big brands are big because they have the biggest penetration, not the highest frequencies.



SOURCE: BAIN AND CO. 2014

BRANDS GROW WHEN THEY INCREASE THE NUMBER OF PEOPLE WHO BUY THEM. NOT BY GETTING THOSE WHO ALREADY BUY, TO BUY MORE.

"Brands with more sales in any time period, are bought by more people in that time period. So, if you want to grow you must increase this penetration level. In subscription markets (like home loans, insurance, some medicines) where each buyer has a repertoire of around one, then penetration growth comes entirely from recruiting new customers to the brand. In repertoire markets penetration growth comes from recruitment and increasing the buying frequency of the many extremely light customers who don't buy you every period."

BYRON SHARP 2016

NO LOYALTY AMONGST ELEPHANTS

This also makes complete sense if we refer back to good old Danny K and his System 1 elephant. If we are making decisions based on elephant-led emotional biases and heuristics, no surprise that brand loyalty is a myth - that requires far too much considered thought.

This truth is uncomfortable for many brand managers, mainly because consumers' relationships with brands are very different to what those same brand managers, myself included, have historically believed. We used to talk of brand love and adoration. But, in fact, we don't really have relationships with brands. We don't want to be their friends. They are not a source of intrigue and entertainment to us. We are not waiting to engage with them. At best, they are things that meet our needs. Occasionally, a useful way of shortcutting a more complex, effortful choice. At worst, a chore and an irritant. Mostly not something we think about very much at all. Loyalty and brand love are myths in the land of the elephants.

THE SEGMENT OF NONE

Increasing consumer penetration is a longer-term activity, focused on getting a large number of people to do a small number, of small actions. It inherently implies scale, mass and reach. It explicitly suggests that we need to be wary of segmentation, targeting, and an over-focus on the few over the many. If penetration is the main game, then great marketing starts by working out how many people we need to attract across the NBD distribution, to meet our commercial goals. All too often, powerful looking segmentations fail the first hurdle. Segmentation can only really help us if it can also answer the following questions in the affirmative.

"Are there enough people in the segment, for us to have any hope of selling enough product, if we focus solely on these people, and we assume they will follow a normal NBD like distribution?"

If the answer is no, we need to start to ask questions about how we use such segmentations.

MEASURE WHAT YOU WANT TO IMPROVE

This insight around penetration as the driver of brand growth also gives us clues about how to measure the impact of marketing, and how to connect what marketing does to the long-term success of the business. Penetration growth should be the obsessive focus of the marketing team.

We need to measure and report new consumer growth, and connect that behaviour back to the volume and value of product we sell. It's far from the only number we should report, but it should be the one number we feel we cannot function without.

Our role as marketers is to change the behaviour of the consumers in our category. To nudge the elephant in the direction we'd like. Turns out the best behaviour change we can focus on, is to get lots more elephants to buy us just once.

So What?

HOW TO OPERATIONALISE THE LEARNING

1. Measure, report and drive up the penetration number. Make the CFO care as deeply as you should.

2. Focus the main effort on recruiting new consumers. Spend against motivation and ease, mental and physical availability. Trigger based stuff won't grow your brand in the long term.

3. Focus penetration driving activity on the largest number of consumers you can. It will recruit heavies as well as lights, but lights are where the mass is.

4. Beware segmentation. Be clear on its role and purpose.

5. Abandon the normalised use of percentages in tracking and demand absolute numbers of people as the measure of size.

6. Review your loyalty activity. Is it really delivering a return? It might be necessary to underpin real brand growth, but it is unlikely to be the driver of it.

7. Beware brand tracking in the absence of behavioural data, especially penetration growth data. It leaves marketing disconnected from the business of the business.

SECTION 3

WHERE DO SUCCESSFUL BRANDS FOCUS THEIR MONEY AND ATTENTION?

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WHERE DO SUCCESSFUL BRANDS FOCUS THEIR MONEY AND ATTENTION?

WE KNOW THE BEST WAY TO SPLIT THE BUDGET

Great marketers can clearly split their activity, spend and focus into two distinct buckets; long term brand building and short term sales activation. Long term brand building is about creating mental and physical availability amongst a large number of potential consumers. Making stuff people actually need and want. Building emotional salience and recall of a few memorable and distinctive brand assets. Emotionally priming consumers in the hope that a number of them will act on that impulse, when the moment of truth arrives. Being available and easy to buy. Having a small impact on a large number of people.

It's about seductively talking to the elephant. And making sure the elephant is likely to be able to reach our product when it wants one.

Sales activation requires an action in the very near future. It needs to trigger a response. It might need the rider to kick in. It definitely works best when it leverages our biases and talks to people who are already users, shoppers and consumers.

In many ways we can relate this BB/SA split back to B.J. Fogg's BMAT model. Long term brand building is about motivation and ability. Making permanent, long-term changes to how desirable our product is, and how easy it is to get hold of. Driving up penetration. Building mental availability in the mass of potential consumers. Sales activation is about triggering choice, in the moment it really makes a difference.

SIXTY FORTY, OR THEREABOUTS.

As Binet and Field have shown time and again over recent years, the most effective marketers spend more time, effort and money on the long-term. And less on the short-term. Their rule of thumb is 60/40. 60% BB. 40% SA. 60% on motivation and ease. 40% on triggers. 60% on penetration and enabling future growth. 40% on delivering the plan today. 60% on winning a new consumer. 40% on getting those we already have, to buy now. It's almost certainly not exactly 60:40 in your business. We each need to work out what the right balance for our brand and business is. It almost certainly will, however, be an over index on brand building, and less on sales activation. Every study suggests this rule of thumb is true.

It should be no mathematical surprise that winning a new consumer, who may well buy us several times over a period, is more effective than getting those we already have to reluctantly buy us once more. Brand building creates an annuity of new consumers who purchase, often not many times, but regularly. In line with the NBD-Dirichlet distribution.

It is entirely consistent with the first two learnings. Brands grow best by focusing at least 60% of their effort on persuading a whole herd of elephants, to buy them at least once. Because talking to the rider and trying to get him to go hard left, right now, is very difficult indeed.

MEASUREMENT AND ROI

To become more successful as marketers we have to develop mechanisms to divide our budget and focus along these lines and hold ourselves to account. In theory, the simplistic looking split of BB and SA looks easy. In practice, it's a much harder exercise than it looks, but a critical discipline.

TRY NOT TO MULTITASK

We must also resist the temptation to believe that marketing activities are capable of achieving multiple objectives over different time horizons at once. Of course, if you run emotional advertising, aimed at long term penetration gain, you might also trigger some immediate sales. In the same way, a fabulous piece of point of sale might help embed a distinctive brand asset in someone's memory structures, and a sharp price point might encourage trial. These are, however, terribly ineffective strategies to deliver those outcomes. If we really want to build long term penetration, a cardboard-standee-led strategy is rarely the right choice. Asking for the magic of the "and" in marketing activities is usually an abandonment of key strategic principles about making tough choices and needs to be the last refuge of the budget and politically strapped CMO looking for an out.

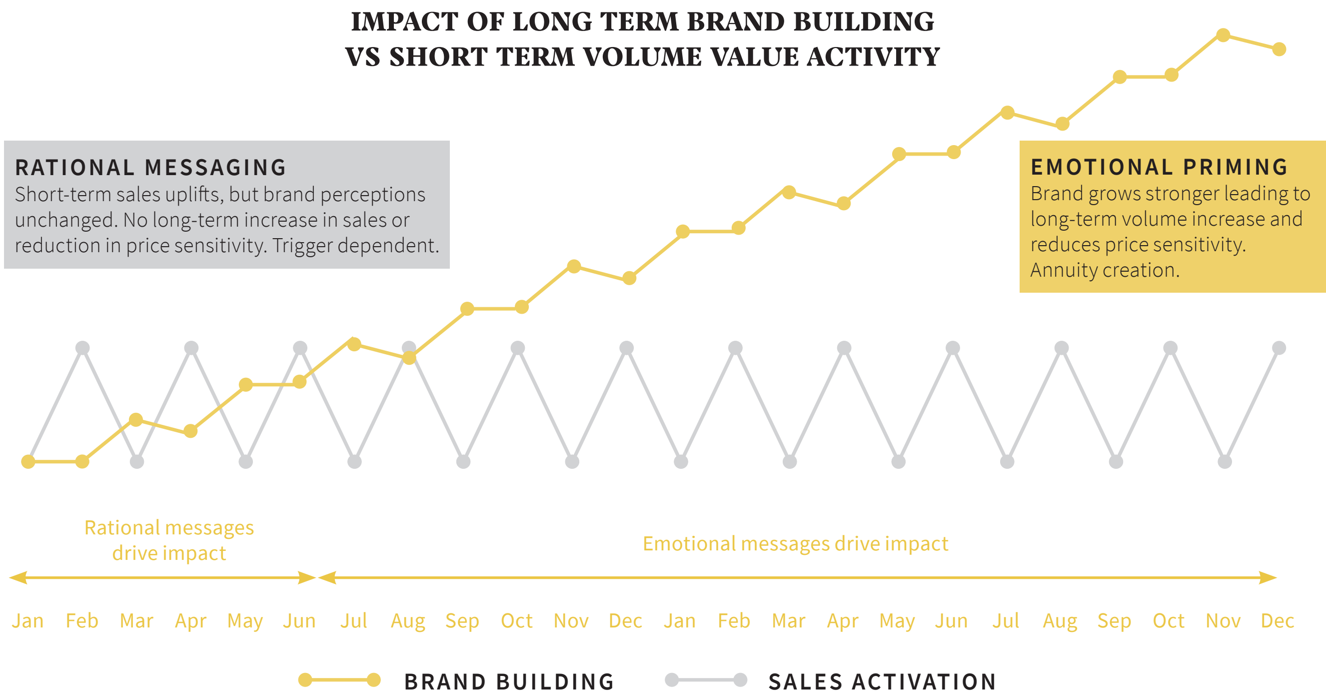
RESIST THE RISE OF SHORT TERMISM

The increase in short term measures that have become available as 'digital marketing' has taken hold; clicks, likes, uniques, CTA, CPA etc. has driven what many see as an over-focus on these short term measures. What all this learning teaches us, is that we have to learn to measure success, especially success in attracting new consumers, over much longer time periods as well as the short. We need to persuade our budget gatekeepers that both long and short term is the right way to measure marketing ROI. Not only answering the question of "how many did we sell this month", but also how many consumers did we attract over the last 18 months. We need more longitudinal data and much more patience, if we are to really shift into an era of effectiveness.

BINET AND FIELD SUGGEST DIVIDING ADVERSTISING CAMPAIGNS INTO TWO TYPES

BRAND BUILDING	SALES ACTIVATION
Creates mental brand equity	Exploits mental brand equity
Influences future sales	Generates sales now
Broad reach	Tightly targeted
Long term	Short term
Emotional priming	Persuasive messages

SOURCE: MEDIA IN FOCUS: MARKETING EFFECTIVENESS IN THE DIGITAL AGE.
LES BINET AND PETER FIELD. 2017



SOURCE: THE LONG AND THE SHORT OF IT. LES BINET AND PETER FIELD. 2013

"If we measure success over the short-term we come to completely the opposite conclusions about what drives success than if we measure success over the long term. Short-termism inevitably undermines long-term success."

PETER FIELD 2017

So What?

HOW TO OPERATIONALISE THE LEARNING

1. Work out how to split the budget into brand building and sales activation.

2. Set targets for each classification; over index on brand building. Start with 60:40 if unsure.

3. When the budget gets cut, try to cut evenly across the splits.

4. Avoid semantic debates about classifications. Identify the activity's primary purpose and stick with that. Sales promotions are not brand building. Big brand ads are not Sales Activation. By definition.

5. Get used to needing to do activity evaluation across multiple financial calendar years to demonstrate effectiveness.

6. Beware a preponderance of short term executional measures littering the marketing dashboard.

SECTION 4

WE ARE LEARNING HOW MEDIA WORKS AND HOW IT DOESN'T.

WE ARE LEARNING HOW MEDIA WORKS AND HOW IT DOESN'T.

A WEAK FORCE AWAKENS

We know that advertising is only a weak force, that has small impacts on large numbers of people. Even less impact on elephants. It can nudge, remind, associate and attract. It might make people think and feel. It rarely gets people to do. It doesn't make us do things more, want things we don't inherently need, buy stuff we don't want, or act against our instincts. Very often.

Advertising can only make our brands memorable, appealing, distinctive and mentally available to a large number of people who are already open to being persuaded. It might make us choose (A) over (B), but almost never can it make us buy something we don't want and need in the first place. Which all makes sense if we remember how decisions are made in the first place.

"We rarely convert from one brand to another in Damascene way. The best we can hope for is weak loyalty of habit; a slight tendency to choose our brand over rivals."
- Les Binet and Sarah Carter. How Not to Plan 2018

"Advertising is not strong enough to convert people whose beliefs are different from what is claimed in the advertisement. Advertising is generally not capable of overcoming resistant attitudes."

JOHN PHILIP JONES, DESCRIBING WORK BY ANDREW EHRENBERG.

REACH MATTERS MOST.
THE MORE PEOPLE WHO
CAN REMEMBER US,
FIND US, AND SHOP
US THE BIGGER WE
WILL BECOME.

FIVE PRINCIPLES OF MEDIA EFFECTIVENESS

If we start with this belief as a foundation, we can then derive maybe five principles we should observe about how to then buy advertising media to best effect.

PRINCIPLE 1:
SHARE OF VOICE > SHARE OF MARKET

You have to shout louder than you are big. Growth comes when share of voice is greater than share of market. (ref: Binet and Field, 'The long and the short of it') When your reach exceeds your current penetration. When you speak to the mass of light and lapsed consumers. And because there are no free media lunches, show me the money. SHOW ME THE MONEY. Spend matters.

PRINCIPLE 2:
REACH ABOVE ALL ELSE

Unsurprisingly then, reach is king. In almost no scenario should you sacrifice reach for recency or frequency. The opportunity cost of reaching one less consumer is always greater than the upside of being better understood, or even more recent. The media plan must start by answering the question – how do we reach as many people as we need to reach, in order to achieve the goal?

"Reaching three consumers, once, will generate more purchases than reaching one consumer three times." - Erwin Ephron 2005

PRINCIPLE 3:
NOT ALL REACH IS EQUAL

Attention is a critical factor in channel choice. We are starting to understand it better. If reach is king, we need to be aware that all reach is not equal. According to Karen Nelson-Field in 2018, active attention on video based advertising seems to currently be around 58% of those reached in TV, but even that depressing number looks better than YouTube at 31%, and heroic versus Facebook at around 4%.

We have to start thinking about reach quality (attention), as well as reach quantity. Attention is impacted by many factors. How much of the ad is visible? How much of the screen is taken up with the ad? Is the sound on or off? Is the ad in the consumer sight-line? How long will an average consumer spend looking at the ad? Does that ad move, make a noise, or light up? Without even dipping into the research about all of these areas, (and it does exist) your common sense should tell you what most of the answers are.

Getting noticed in the clutter is probably the single biggest challenge facing marketers today. Ads that are only half visible, with no sound, that at best only command a few seconds attention, work less well than something bigger, louder and longer. Whilst we now have AI data to tell us that these things are true, it's a bit of a shame HI* didn't know it already. *HI = human intelligence

PRINCIPLE 4:
ONCE IS ENOUGH

Frequency is not necessary. Sure, showing consumers an ad, a few times probably helps them understand it and remember it better. But once is enough, to deliver most of the effect.

"The first opportunity to see contributes 73% of the short-term sales effect of advertising." - John P. Jones

"Once is generally enough regardless of whether the measurement period for analysis is one or four weeks" - Jennifer Taylor, Rachel Kennedy et al 2010

Whichever way you cut it, with a fixed budget, the cost of twice really isn't worth it. Do you want to double your reach, or squeeze out the last 27% of effectiveness? Do the maths.

PRINCIPLE 5:
RECENCY DRIVES SALES

For the 40% of your spend that should be about sales activation, recency is a driver of effectiveness. If we want an immediate effect, it's very helpful for us to place advertising as close to the moment of choice as possible.

"Consumers exposed to advertising within 24 hours of purchase exhibited a 9% share increase on the advertised brand vs. those within 28 days showed only a 3.4% rise." - Nielsen 2014


NOT ALL REACH IS EQUAL. ATTENTION, THE KEY MEASURE OF REACH QUALITY, IS A CRITICAL FACTOR TO CONSIDER.

A RECENT STUDY SHOWS SOME REMARKABLE RESULTS ABOUT WHICH CHANNELS COMMAND ATTENTION

OVERALL WEIGHTED ATTENTION PERFORMANCE SCORE - ALL 12 ATTRIBUTES COMBINED

WHAT THE EVIDENCE SAYS

1	TV	107.1
2	Radio	103.2
3	Newspapers	87.8
4	Magazines	79.5
5	Out of home	71.7
6	Direct mail	67
7	Social media	65.8
8	Cinema	61.4
9	Online video	57.6
10	Online display	50

WHAT ADVERTISERS AND AGENCIES SAY

1	TV	48.9
2	Online video	41.6
3	Social media	41.3
4	Out of home	39.6
5	Cinema	39.1
6	Radio	38.9
7	Newspapers	36.3
8	Direct mail	36.3
9	Online display	35.5
10	Magazines	35.1

EVIDENCE: Based on sum of scores for all 12 attributes with importance weights applied.
PERCEPTION: Based on sum of mean score across all 12 attributes, with importance weights applied.
Base: n=116 (each respondent rated 2 attributes).

SOURCE:'RE-EVALUATING MEDIA' – EBIQUITY AND RADIO-CENTRE UK 2016

So What?

HOW TO OPERATIONALISE THE LEARNING

There's no magic media planning bullet. More channels available means more complexity and harder choices. More data should mean better decisions, but all too often means just more complicated ones. Couple these challenges with the eroding faith in media agencies integrity and the lack of willingness of clients to pay for strategy and we have a recipe for potential disaster.

As you wade through the media jungle, try to remember five key principles.

1. Reach
2. Reach
3. Attention
4. Reach
5. Reach

SECTION 5

WE HAVE REAL INSIGHT INTO HOW TO HARNESS CREATIVITY IN ADVERTISING.

brand traction
strategic marketing capability

WE HAVE REAL INSIGHT INTO HOW TO HARNESS CREATIVITY IN ADVERTISING.

CREATIVITY MATTERS

If the role of advertising is to have a small impact on large numbers of people. If consumers are being faced with a massively fragmented set of media choices. If they can more easily avoid advertising. If they are paying less attention than ever before and didn't really want to pay attention in the first place. And if they have more options that are ad-free. It makes sense that making the ad itself inherently more engaging is critical to success. The ECDs were right. They are hugely important. Just maybe not quite in the way they thought they were. Recent work by Nielsen Catalina suggests that as much 47% of the effect of an ad comes from the creative idea itself.

Hooray for creativity then. It turbo charges all our advertising efforts, the long and the short.

"The most startling truth is we don't even think our way to logical solutions. We feel our way to reason. Emotions are the substrate, the base layer of neural circuitry underpinning even rational deliberation. Emotions don't hinder decisions. They constitute the foundation on which they're made!"

DOUGLAS VAN PRAET: UNCONSCIOUS BRANDING

FOUR RULES FOR EFFECTIVE CREATIVE

It appears there are four rules to effective creative solutions.

1. MAKE 'EM FEEL.

Advertising is most effective when it gives us the feels. Especially when it comes to long term brand building, it must trigger and prime our emotions. When it makes us laugh, or cry. When it makes us horny, or hungry. When it makes us aspire to something, or connect with something. It works. We see this time and again the studies. Binet and Field show that emotional priming nearly doubles the very large profit impacts of advertising. Millward Brown showed that even for short term sales driving activity creative impact more than doubles the effectiveness of the work.

2. GET FAMOUS.

Some of the issues with audiences' attention deficit disorder are mitigated by making your ad famous. Be shocking. Be distinctive. Be hilarious. Attach the ad to things people actually care about. Use famous people and famous tunes. Get talked about. Do whatever it takes to stand out. Binet and Field have shown this to be true across numerous campaign types and numerous studies.

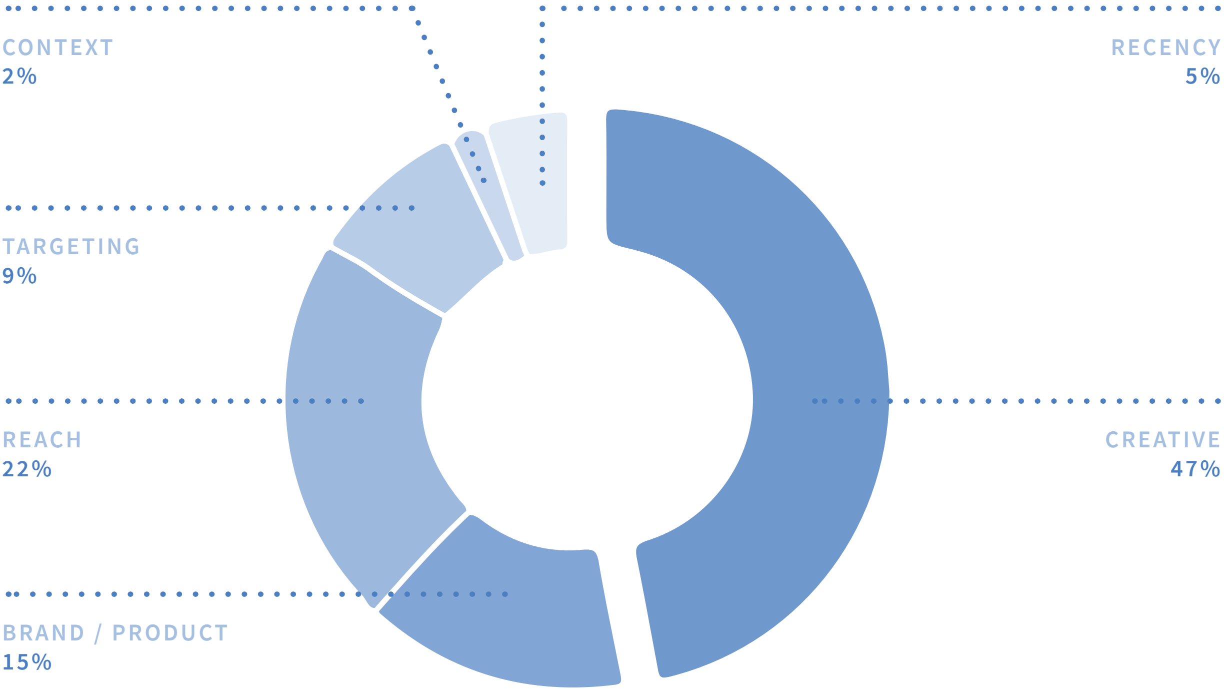
3. GET UNDERSTOOD.

Comprehension drives memorability and getting remembered is everything. If I don't intuitively understand what the ad is saying, I am much more likely to forget it.

There's a time and a place for the avant-garde narrative. Your ad is not it. Novelty in form, mostly gets people to switch off. Don't confuse originality

NEARLY HALF OF THE EFFECT OF ADVERTISING COMES FROM THE CREATIVE ITSELF

"5 KEYS TO ADVERTISING EFFECTIVENESS" NIELSEN CATALINA SOLUTIONS 2017



PERCENT SALES CONTRIBUTION BY ADVERTISING ELEMENTS

of content (getting famous), with originality of form (using familiar mechanisms, archetypes, and tropes). Use creative mechanisms people inherently understand. In ways that feel fresh.

"Ideal ideas are not original, but variations of a form, marrying innovation and immediacy to different, recognisable frameworks. Advertising goes wrong in its search for originality when it confuses originality of content with originality of form". - Faris Yakob 2018

Goldenberg, Mazursky, and Solomon found that of 200, award winning, print ads, 89% fit clearly within 6 defined templates. It's well documented that most stories follow familiar patterns and a recognisable narrative arc. Recent work by Leavitt and Christenfeld, shows that people enjoy a story more, when they know how it ends before-hand. The same is surely true for advertising.

"Once you know how it turns out, it's cognitively easier – you're more comfortable processing the information – and can focus on a deeper understanding of the story." - Jonathan Leavitt, 2018

The very best campaigns take a simple, easily grasped, advertising idea or construct, and build multiple executions that all operate in exactly the same way. In our struggle for originality we have often forgotten that steering the elephant requires very simple instructions.

4. IT'S THE BRANDING, STUPID.

The single biggest driver of in-market advertising effectiveness, according to Kantar Millward Brown in 2017, is sadly getting branding right. The jokes about making the logo bigger aren't actually funny. We consistently keep missing this key element in the drive to be more creative. Identify the aspects of your brand identity that people both remember and uniquely associate with your brand. And litter your ad with them. Ideally early in the execution, as that drives improved brand recall. So yes. Please. For God's sake. Make the logo bigger.

ADVERTISING THAT BUILDS FAME IS MORE EFFECTIVE

% REPORTING VERY LARGE IMPACT ON	CAMPAIGNS AIMING TO BUILD BRAND FAME	CAMPAIGNS AIMING TO BUILD BRAND AWARENESS
Sales	55%	51%
Market share	40%	34%
Profit	28%	22%
Penetration	35%	31%
Loyalty	16%	8%
Price sensitivity	6%	4%

MARKETING IN THE ERA OF ACCOUNTABILITY - LES BINET AND PETER FIELD 2006

CREATIVE WORK NEEDS TO BE EMOTIONAL AND FAMOUS, IN ORDER TO GRAB THE LIMITED ATTENTION WE PAY TO ADVERTISING. BUT IT ALSO NEEDS TO BE EASILY COMPREHENDED AND HIGHLY BRANDED IN ORDER TO BE REMEMBERED AND CORRECTLY ATTRIBUTED.

A WORD ABOUT MESSAGING AND POSITIONING

Those of you following closely may well be asking, “but what of positioning, planning, and crafting a clear single-minded message?” Doesn’t all this stuff about elephants, and distinctive assets suggest that the need for clear positioning and corresponding message out-take is a little redundant? If all I am doing is trying to get a brand’s logo into people’s heads, what is the point of all that work getting to a message?

Good questions and Byron Sharp would agree; he believes far too much attention is paid to crafting a differentiated brand position and not enough focus on standing out and getting remembered. As usual, he’s probably right. But the positioning is still critical, even if you agree with Byron. For two critical reasons at least.

1. A clear positioning, managed brilliantly by the marketer, forces consistency and clarity into everything. It underpins distinctiveness, by being the force that holds all aspects of the brand together. It demands that tag-lines and logos don’t change. It forces creatives to find new expressions of old ideas. It forces us to innovate within a framework that allows a family of brands, or products, to sit comfortably together.

If our job is to stand out and get remembered, then having a clear long-term position is the key way we force consistency, and hence distinctiveness, into the brand system. Even if the consumer can’t accurately explain it - because frankly they don’t care and aren’t paying enough attention - you the marketing organisation, need the discipline a strong positioning creates.

2. When it comes to the advertising bit, it’s not enough just to blast the logo at someone. When attention and interest are at a premium, we have to do and say things that cut through. We have to be culturally interesting, famous, emotional, creative. People don’t care about advertising and brands. Mostly, they’d be happier if all this marketing stuff went away. They actively go out of their way to avoid it. To counter that, our advertising needs to be both disruptive (to cut through) and familiar (to get recalled correctly).

We need to make ads that are incredibly engaging and simultaneously incredibly similar to the last ones we made. The only way I know how to do this is to drive for a single-minded, emotionally-charged, insightful thought that can hold all these potentially disparate elements together. The job might be just to get people to remember the logo. But to do that job well, we still need the discipline of a clear brand position.

So What?

HOW TO OPERATIONALISE THE LEARNING

1. Creativity matters. It’s the secret sauce that gets your advertising noticed.

2. Remember the elephant. We respond to emotional advertising best. Even for short term effects.

3. Be disruptive to get famous. Advertising is wallpaper. If you don’t stand out, you won’t get seen.

4. Great ads follow familiar forms. Understand your advertising idea. Is it easy to grasp? Can it be repeated? If so, only now should you assess the execution.

5. Be distinctively familiar. Stand out, but in a way people recognise, and attach the idea to your brand.

6. Make sure your product, brand and brand assets are integral to the idea and the execution. Don’t get seduced into making “films”. Make sure you’re making “advertising”. The distinction being, advertising is heavily branded.

THE SUMMARY OF THE SUMMARY.

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Marketing got harder to get right, more complex, harder to figure out. It has also, however, been the focus of some significant and serious studies that have attempted to answer the question of how and why does marketing work?

What we have learned is, if we focus the marketing effort on the right things, it can deliver a significant return for the organisation. Knowing what those right things are requires us to think (and read) a little harder than perhaps we used to.

I believe, great marketers need to hold (at least) ten beliefs to be true. They are;

1. Humans make irrational, emotional decisions, not rational economic ones most of the time.

2. For behaviour change to happen, motivation, ease and triggers need to be correctly balanced.

3. Brands grow when they increase the number of people who buy them. Not by getting those who already buy, to buy more.

4. Consumers do not care enough about brands to exhibit loyalty. Or any other type of relationship metaphor. Brands help people choose, that's all.

5. Recruiting new consumers is hard and takes a long time. Spend about 60% of effort and investment on the long game. Spend more on motivation and ease. Less on triggers.

6. Growing the number of users is a numbers game. Reach matters most. The more people who can remember us, find us, and shop us the bigger we will become.

7. Not all reach is equal. Attention, coverage and duration matter. Channel choice makes a big difference to effective reach.

8. Once is enough. Frequency is a poor investment of media money when there's still reach on the table. Recency can drive short term effects. But not at the expense of reach.

9. Creative work needs to be emotional and famous, in order to grab the limited attention, we pay to advertising.

10. But it also needs to be easily comprehended and highly branded in order to be remembered and correctly attributed.

THE FINAL PITCH.

THE FINAL PITCH.

There's a load more we have learned about marketing effectiveness and a heap of richness in each of these areas to be explored. I recommend you develop an appetite for the dry and the dusty textbook, for the long-winded papers, and for the online blogs of certain individuals. Because there's a lot for us all to learn, and a whole heap of things to yet uncover. But hopefully, this canter through the world of marketing research has given you food for thought.

At Brand Traction, this is what we do. We are proudly a marketing capability consultancy, focused on helping you grow your people, brands, and business. In that order. We translate the best of what the world knows about how to do great marketing, and we transfer those ideas and skills into your business. We do that by training your people, transforming your marketing organisation and by helping you be more strategic about growing your business, category, portfolio, and brands.

If you'd like to know more about this content, all aimed at improving your marketing effectiveness. From comprehensive, one and two day explorations into all of these topics and more. To two and three hour deep-dives into some of the specifics.

Or, even better, talk to us about undertaking a richer, marketing capability needs study for your business and building you something bespoke.

If you want to know more, give us a call on **+61 421 092 368.** Or contact me at **jon.bradshaw@brandtraction.com.au.**

Thanks for reading my dry and dusty paper. You may now go back to striving to hit your quarterly sales number.

TEN HELPFUL MARKETING BELIEFS

1. **Humans make irrational, emotional decisions.**
2. **For behaviour change to happen we need motivation, ease and triggers.**
3. **Brands grow when they increase the number of people who buy them.**
4. **Consumers do not care enough about brands to exhibit loyalty.**
5. **Recruiting new consumers is hard and takes a long time.**
6. **Reach matters most.**
7. **Not all reach is equal.**
8. **Once is enough.**
9. **Creative work needs to be emotional and famous.**
10. **But it also needs to be easily comprehended and highly branded.**

Reading List

Why Three Exposures May Be Enough	Dr. Herbert Krugman	1972
The Dirichlet: A Comprehensive Model of Buying behaviour	Andrew Ehrenberg	1984
Advertising: strong force or weak force?	John P. Jones	1990
Descartes' Error: Emotion, Reason, and the Human Brain	Antonio Dimasio	1994
When Ads Work - New Proof that Advertising Triggers Sales	John P. Jones	1995
The Fundamental Templates of Quality Ads	Jacob Goldenberg and David Mazursky	1999
Persuasive Technology: Using Computers to Change What We Think and Do.	B.J. Fogg	2003
The Happiness Hypothesis	Jonathan Haidt	2006
Media Planning - From Recency to Engagement	Erwin Ephron	2006
Marketing in the Era of Accountability	Les Binet and Peter Field	2007
Predictably Irrational	Dan Ariely	2008
How Brands Grow	Byron Sharp	2010
Is Once Really Enough? Measuring The Advertising Response Function	Jennifer Taylor	2010
Effect of avoidance on day after advertising recall	Bellman, Schweda and Varan	2010
Thinking Fast and Slow	Daniel Kahnemann	2011
The Link Between Creativity and Effectiveness: The Growing Imperative to embrace Creativity	Peter Field	2011
The Long and the Short of it	Les Binet and Peter Field	2013
The Biggest Contributor to Brand Growth	Brusselmans, Blasberg and Root: Bain & Co.	2014
Unconscious Branding: How Neuroscience Can Empower (and Inspire)	Marketing Douglas Van Praet	2014
How Brands Grow 2	Jenni Romaniuk, Byron Sharp	2015
Forget free trade – we should be embracing pain-free trade	Rory Sutherland	2017
Media in Focus: Marketing Effectiveness in the Digital Age	Les Binet and Peter Field	2017
Media Attributes that (really) Matter	Karen Nelson-Field	2017
Five-Keys-to-Advertising-Effectiveness	Nielsen	2017
Make a Lasting Impression	Millward Brown	2017
Re-evaluating media	Ebiquity	2018
Eat Your Greens	Wiemer Snijders et al	2018
The Internet	Everybody	2018

Brand Traction is a marketing capability consultancy.

Helping clients develop a more rigourous approach to marketing in order to meet the needs of today's challenging business landscape. Led by experience, research and best practice in the areas of marketing science, behavioural economics, design thinking and learning theory. We help grow our client's people, brands and business by making them more capable marketers.

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Jon Bradshaw is a self-confessed marketing nerd. He has over 20 years global experience working for big brands in big markets across FMCG, beverages and telco.

He established Brand Traction in 2012, to help clients deal with the increasingly complex marketing landscape.

He is passionate about marketing, travel, music, his wife, and the outdoors.

Not necessarily in that order.

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