



How do I use creativity
to drive effectiveness?

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Thanks to initiatives like the IPA's Effectiveness Awards, the ad industry has proven that advertising impacts sales. There is now almost universal acceptance that the most effective advertising is also the most creative. But creativity is a frustrating mix of art and science, part gut intuition and part process. It's difficult to predict and impossible to forecast. This document answers the following questions:

- Which elements set creatively awarded campaigns apart from non-creatively awarded ones?
- What are the top 10 factors driving advertising profitability and where does creative execution rank?
- How strong is the relationship between emotional campaigns and creativity?
- What role do consistent brand assets play in driving creative effectiveness?
- What are the consequences of short-termism on creative effectiveness?
- Why is long-termism important in creative effectiveness?

What we mean by creativity

Creativity in advertising is about generating original, good, and useful solutions to marketing problems. It is a form of innovation and it deploys divergent thinking to make connections that haven't been made before.¹ Creativity is a subjective term, but is judged and recognised by industry creative awards.

Due to the rise of digital, there are now two distinct approaches to advertising: the creation of macro impact branded ideas to get people talking about a brand, and the creation of micro contact branded content that nudges consumers along a purchase funnel. Both are vital, and both are enhanced by the power of creativity.

What we mean by effectiveness

Effectiveness in advertising is about achieving the agreed objectives, particularly sales or market share or profits. It is publicly recognised via industry effectiveness awards.

Effectiveness efforts are often focused on the short term because it's harder to isolate advertising's impact in the long term. However, less than half (42%) of advertising's profit impact happens in the short term (within 3-6 months of a campaign finishing).² We need to consider the long run if we are to fully explore the link between creativity and effectiveness.

¹. Arthur J. Kover, "Advertising creativity: some open questions", *Journal of Advertising Research*, Vol. 56, No. 3, 2016.

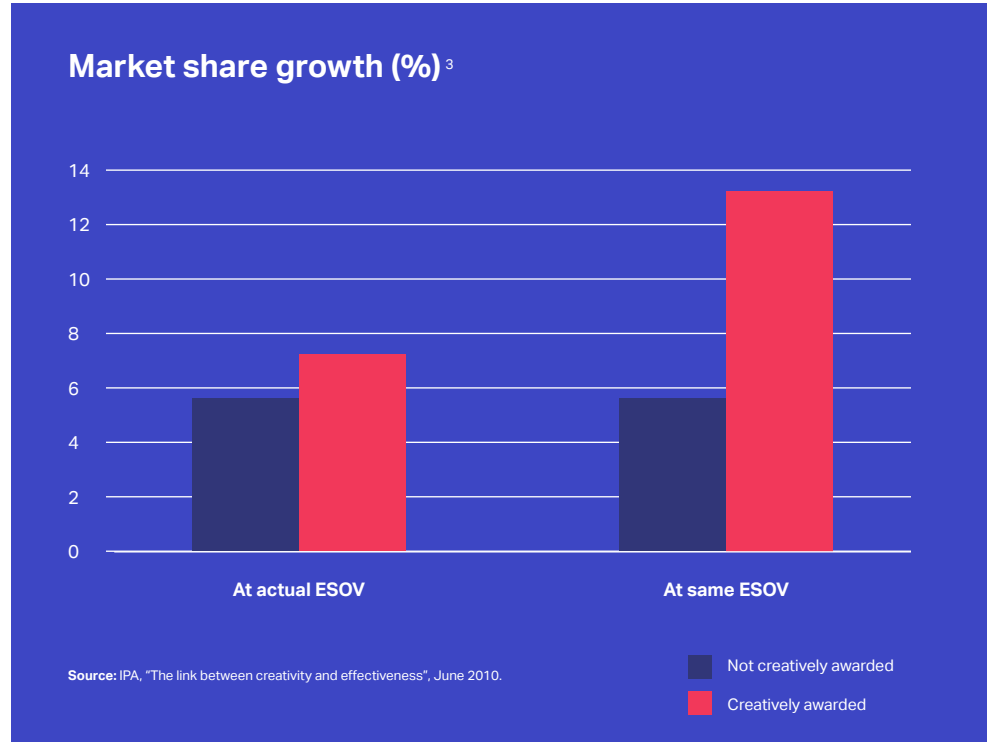
². Matthew Chappell, "The long-term impact of advertising", *Profit Ability: The business case for advertising*, November 2018.

The link between creativity and effectiveness is strong...

In 2010, Peter Field cross-referenced the IPA's Databank with The Gunn Report. He compared 40 IPA case studies since 2000 that were also creative award winners with 170 IPA case studies that were not creative award winners. Campaigns that won more creative awards delivered more very large business effects, e.g. market share, penetration, price insensitivity or profit.³

The most revealing comparison was between the efficiency of the two groups of campaigns, measured by the relationship between market share growth and ESOV ('extra share of voice', i.e. share of voice minus share of market). The creatively awarded campaigns were more than twice as efficient as the non-awarded ones.^{3,4}

³ IPA, "The link between creativity and effectiveness", June 2010.
⁴ Peter Field, "The value of creativity", Market Leader, Q2 2011.



...and proven by multiple studies

Based on 25 years' experience of modelling the impact of advertising on sales, Paul Dyson from Data2Decisions developed a list of the top 10 factors driving advertising profitability. He concluded that creativity was the second largest factor, with a potential Profit Multiplier of 10.⁵

Profit Multiplier is defined as the difference between revenue generated by advertising and the cost of that advertising, divided by the cost of advertising. So, a £4 million campaign that generated £8 million incremental sales would have a profit multiplier of 1.0 (£8m minus £4m, divided by £4m).⁵

⁵ Paul Dyson, "Top 10 drivers of advertising profitability", Admap, September 2014.

Top 10 Factors driving advertising profitability

Position	Factor	Profit Multiplier
1	Market size	16.00
2	Creative execution	10.00
3	Budget-setting and allocation	2.00
4	Variable media costs	1.60
5	Laydown	1.10
5=	Media multiplier	1.10
7	Brand life cycle	1.08
8	Quality viewing	1.05
8=	Task	1.05
10	Audience	1.04

Source: Data2Decisions, 2014

Yet more proof...

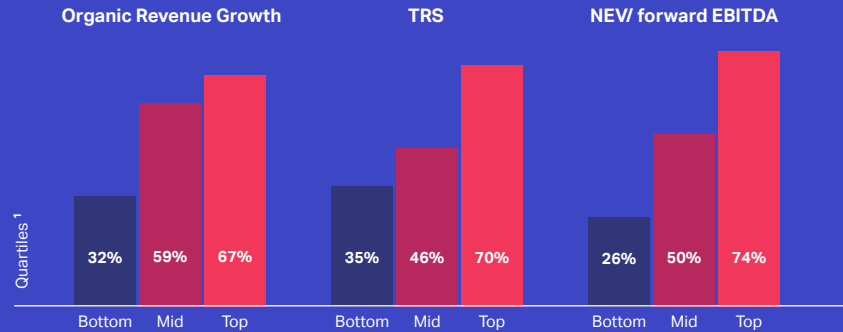
Analysis in 2017 by McKinsey & Company covering 16 years of data from the Cannes Lions showed how companies that excel in creativity outperform their rivals in terms of key financial results (organic revenue growth, total return to shareholders and net enterprise value).^{6,7}

In 2014 Charles Young and Adam Page of research firm Ameritest used McDonald's data to explore the relationship between advertising quality and sales growth. Based on a 6 year dataset involving more than 180,000 consumer interviews, they found that nearly half of McDonald's sales growth could be explained by variables related to advertising quality.⁸

6. Marc Brodherson, Jason Heller, Jesko Perrey & David Remley, "Creativity's bottom line: how winning companies turn creativity into business value and growth", McKinsey&Co., June 2017. 7. Stephen Whiteside, "McKinsey quantifies the business impact of creativity", WARC Event Reports, June 2017. 8. Charles Young & Adam Page, "A model for predicting advertising quality as a key to driving sales growth: how television advertising quality affected McDonald's sales growth over six years", Journal of Advertising Research, Vol. 54, No. 4, 2014.

Companies that perform well on the Award Creativity Score tend to outperform on financial metrics

Likelihood that creativity score quartile has above-average financial performance



¹ Using only companies with creativity score >0, combining the two middle quartiles

Source: Team Analysis, McKinsey & Company

Why can creativity drive such effectiveness?

In the short run, creatively awarded campaigns grab attention and generate fame (online or offline buzz) at twice the level of non-awarded campaigns.⁹

In the long run, creatively awarded campaigns are more likely to convince people the brand is better quality, thus reducing price sensitivity.¹⁰

These short and long run links between creativity and effectiveness are enabled by the greater use of emotion amongst creatively-awarded campaigns.¹¹ Emotional campaigns are strongly linked to effectiveness, with effective campaigns scoring higher on positive emotions such as enjoyment and involvement.¹²

⁹ Dominic Twose, "Creativity in advertising", Millward Brown Points of View, July 2012.
¹⁰ Micael Dahlén, Sara Rosengren & Fredrik Törn, "Advertising creativity matters", Journal of Advertising Research, Vol. 48, No. 3, September 2008
¹¹ IPA, "The link between creativity and effectiveness", 2010.
¹² Dominic Twose & Polly Wyn Jones, "Creative effectiveness", Admap, November 2011.

Effective campaigns score higher on positive emotions.¹²

IPA Effectiveness Awards winners

Indices	Median	No of brands
Difference to other ads	106	10
Enjoyment	105	45
Involvement	105	36
Believable	102	19
Branding	102	43
Appealing	99	36
CPG Persuasion Mean Score Index	99	25
Understanding	98	46
New Information	97	35
Relevance	95	15
Uniqueness	95	24
Brand Different	93	19

Source: Dominic Twose & Polly Wyn Jones, "Creative effectiveness", Admap, November 2011.

So, how do I use creativity to drive effectiveness? Well, start by getting the strategy right!

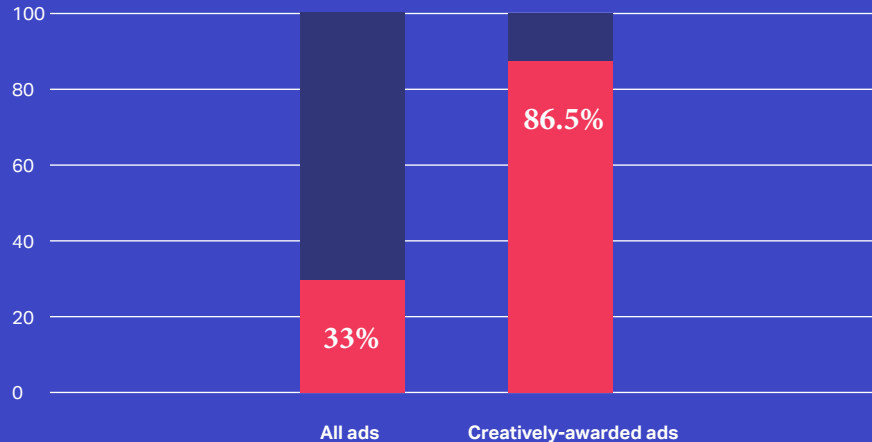
Nothing will undo your chances of success like solving the wrong problem, so make sure you base your creativity on the right strategy.

In his landmark 1996 study, Donald Gunn found that while creatively-awarded commercials achieved much more market place success than the average for all commercials, in 13.5% of cases creatively-awarded commercials failed to show any market place success. The key reason cited for this failure was incorrect strategy.^{13, 14}

¹³ Donald Gunn, "Do award winning commercials sell?", GUNN Report, 1996.
¹⁴ Peter Field, "The value of creativity", Market Leader, Quarter 2, 2011

Marketplace success of creatively-awarded ads¹³

86.5% of the most awarded ads in the world in the years 1992-1996 were associated with marketplace success



Source: Donald Gunn, "Do award winning commercials sell?", GUNN Report, 1996.

Next, ensure a tight link to your brand

Not only does advertising need to be underpinned by appropriate strategy, it also needs to be tightly linked to your brand. Analysis by Millward Brown has shown that branding is a key factor in advertising's success.

It cross-referenced Effie-winning TV commercials from 2007-2010 with its own database of commercials that had been through Link (its global pre-test method). It concluded that Effie winners scored higher on a range of key Link measures, but the one they scored highest on related to branding.

Branding has nothing to do with repeating the brand name and showing packs; it has everything to do with making the brand the centre of, and the reason for, the creative idea".¹⁵

¹⁵. Dominic Twose & Polly Wyn Jones, "Creative effectiveness", Admap, November 2011.

Effie winners demonstrate strong branding

Indices	Median	No of brands
Branding	106	16
Uniqueness	105	15
Involvement	104	15
Brand different	102	15
Different to other ads	102	13
Enjoyment	102	16
Persuasion	101	12
Believable	100	14
New information	100	15
Relevance	99	15
Appealing	98	16
Understanding	97	16

Source: Dominic Twose & Polly Wyn Jones, "Creative effectiveness", Admap, November 2011.

Work with, not against, the brain

Neuroscience teaches us that we should be...

Deploying System 1 thinking.¹⁶

- Help make brand choice instinctive and fast by using familiar distinctive assets (logos, slogans, colours, jingles) and positive emotional associations to get your brand into people's mental repertoires.
- For example, analysis of the IPA Databank indicates that the use of music can enhance effectiveness by upwards of 20%.¹⁷

Investing in consistent brand assets.¹⁸

- Consistency in brand assets delivers the best long-term success.

¹⁶ John Kearon, Tom Ewing & Orlando Wood, "System 1 – unlocking profitable growth", Admap, May 2018. ¹⁷ Les Binet, Daniel Müllensiefen & Paul Edwards, "The power of music", Admap, October 2013. ¹⁸ WARC, "Lessons from the world's top effectiveness campaigns", WARC 100, April 2018.

Music can enhance effectiveness

	Number of cases	% cases reporting any very large business effects	Average number of very large business effects reported
Musical ads	21	93	2.5
Other ads	142	73	2.3
Difference		+28%	+20%

Source: IPA Databank, 2008 - 2012, in Binet et al. "The power of music", Admap, October 2013

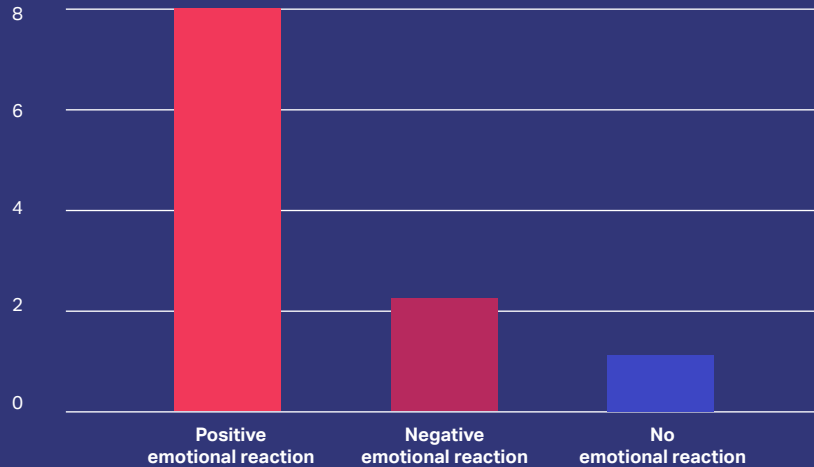
Use emotion

Analysis conducted by P&G into their own creativity showed that work yielding an emotional response was nine times more likely to be successful than work eliciting indifference. They looked at 300 TV ads, 85 online videos, 100 Facebook posts and 50 in-store displays to conclude that messaging which generated positive reactions enjoyed the greatest impact (8x). The key is to avoid indifference at all costs because even messaging which generated negative reactions still enjoyed 2x impact. They also concluded that tapping into positive emotions is not just about trying to make people laugh and smile, it's about being distinctive and real.¹⁹

These findings are reinforced by WARC's analysis of the Cannes Lions Creative Effectiveness winners which clearly shows that the dominant creative strategy employed by winners in both 2017 and 2018 was the use of emotion.²⁰

¹⁹ Stephen Whiteside, "Procter & Gamble research validates emotional marketing", WARC Event Reports, South by Southwest, March 2015. ²⁰ WARC, "Cannes Lions 2018: Insights from the creative effectiveness winners", WARC Exclusive, August 2018.

Impact of creativity in evoking an emotional reaction



Source: Stephen Whiteside, "Procter & Gamble research validates emotional marketing", WARC Event Reports, South by Southwest, March 2015.

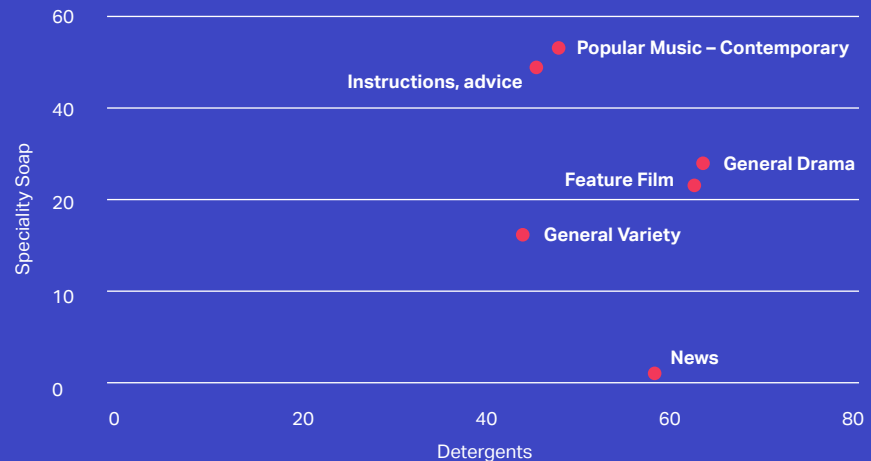
Think about context, not just content

The right timing context, programme context, venue and screen context, partner context, brand context, and news context can all boost creative effectiveness. This is due to differences in attention and engagement.²¹

Leslie Wood analysed the difference in Ad Impact scores for the same commercial aired in different programme genres (Ad Impact measures the short-term effect of advertising on sales, measured in brand share). She concluded that, for example, news is a good environment for a product like detergent but a bad one for a product like specialty soap. Specialty soaps, by contrast, score better during popular music programming.²²

²¹ Fiona Blades, "Optimise advertising context to attain engaged reach", Admap, June 2018. ²² Leslie Wood, "Short-term effects of advertising: some well-established empirical law-like patterns", Journal of Advertising Research, Vol. 49, No. 2, 2009.

Difference in ad impact scores for two categories based on different media environments.²²



These measures are nearly uncorrelated: $R^2= 20\%$ overall $R^2= 12\%$ excluding news

Source: L. Wood, "Short-term effects of advertising", Journal of Advertising Research, Vol. 49, No. 2, 2009

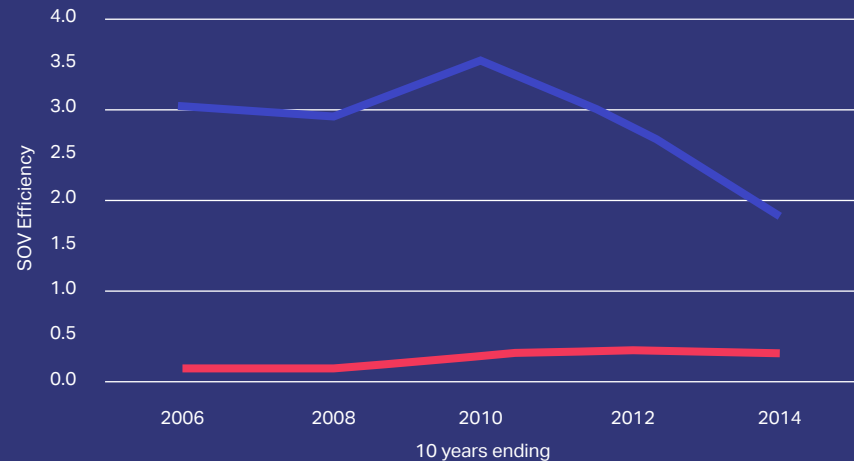
Invest behind it, and stick with it

Creativity is a multiplier, but like any multiplier it needs investment to work. One of the side-effects of the proliferation of digital touchpoints is the squeezing of budgets put behind creative brand-building advertising. Lower budgets risk suffocating the impact of creative campaigns.²³

Peter Field has shown how the efficiency advantage that creative advertising enjoys has narrowed in the last decade. This is largely due to the rise of short-termism as digital becomes ever more prevalent. Short-term digital campaigns are one third as efficient as long-term brand-building campaigns but the relative low cost of digital channels and platforms has led some brands to focus on short-term sales activation at the expense of long-term brand-building.²⁴

²³ WARC, "What we know about creativity and effectiveness", WARC Best Practice, December 2017. ²⁴ Peter Field, "Selling creativity short: creativity and effectiveness under threat", IPA, 2016.

The efficiency of awarded campaigns has almost halved



Source: Peter Field, "Selling creativity short: creativity and effectiveness under threat", IPA, 2016.

How to use creativity to drive effectiveness

The link between creativity and effectiveness is strong... and proven by multiple studies. Creativity and effectiveness don't just go together like love and marriage, there is a causal relationship between them: creativity drives effectiveness through the use of emotion to generate both fame in the short run and price inelasticity in the long run.

The best way to use creativity to drive effectiveness is to...

- Get the strategy right!
- Ensure a tight link to your brand.
- Work with, not against, the brain.
- Use emotion.
- Think about context, not just content.
- Invest behind it, and stick with it.