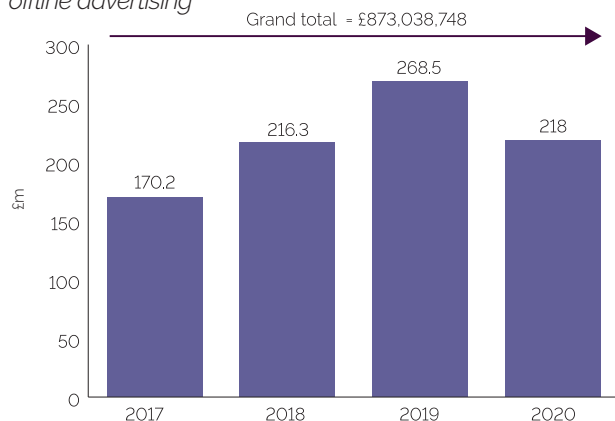


There must be a reason why online brands spend so much money offline

You could call this the £873 million question.

As shown below, this is the estimated total invested by eight of the biggest internet brands on UK offline advertising between January 2017 and December 2020. During the same period, these brands invested £617.8m on trackable digital media, according to Nielsen.

Figure 1: How leading online brands have invested in UK offline advertising



Data source: Nielsen

The rationale for this spend shouldn't be a mystery for business leaders who have studied the evidence of what makes effective marketing.

As the 2018 IPA report, 'Effectiveness in Context', stated, "the essential rules for effectiveness are not greatly different for online brands".¹

Those rules argue that the main way brands grow is by selling to more people. Marketing acquires new customers by helping make brands more widely known and recalled, building perceptions of brands over time that make them more likely to be considered when consumers are ready to buy.

Below, we summarise two cases of online businesses that significantly invested in offline brand building to maintain their growth by reaching new audiences and changing how their brands were perceived.

They show why offline brand building can work for web brands sometimes considered 'too small for TV advertising' as well as those online behemoths that might – wrongly – be thought too big to need it.

A new way to search for customers

By combining rigorous Pay Per Click (PPC) search marketing with attractive, keenly priced products, the Cotswold Co. furniture retailer doubled in size annually for 16 years.

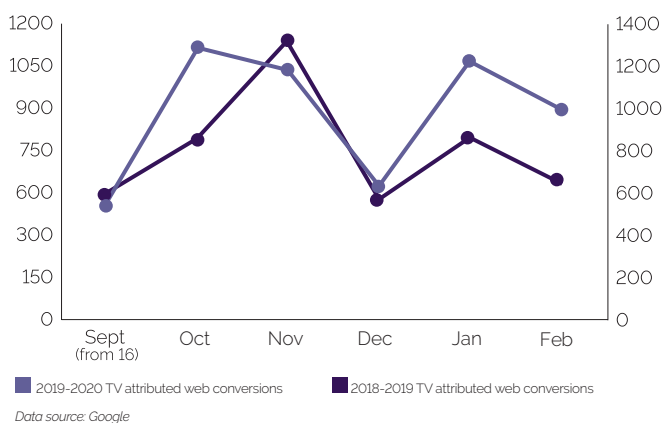
By 2019, its category was firmly digital-first, with most browsing and ordering taking place online. So why would the brand change a winning strategy?

To hit ambitious new growth targets, Cotswold needed to increase penetration and shift the perception among non-users it was old-fashioned and rustic. Returns from search marketing were also falling because of the rising costs of advertising against generic search terms.

Advertising creative was developed for TV to give the brand a classic, warmer feel, with the message supported by print inserts, direct mail, digital, and social.

Brand perceptions improved among audiences exposed to the TV ads, branded searches and web conversions grew, Cotswold increased penetration and its revenue jumped by 8%, in spite of 18% less marketing budget.

Figure 2: Cotswold's TV ads drove more web conversions



Making a brand famously different

In 2016, Purplebricks was the best-known online estate agent, but needed to lift brand consideration and increase instructions to sell homes.

It invested in funny, TV-led advertising to dramatise its distinguishing feature – namely it did not charge sellers commissions – and popularise the idea of ‘commisery’, the remorse people feel at paying unnecessary charges.

Following the campaign, consideration rose from 23% to 38%. Market share almost doubled and revenue grew by 218%.

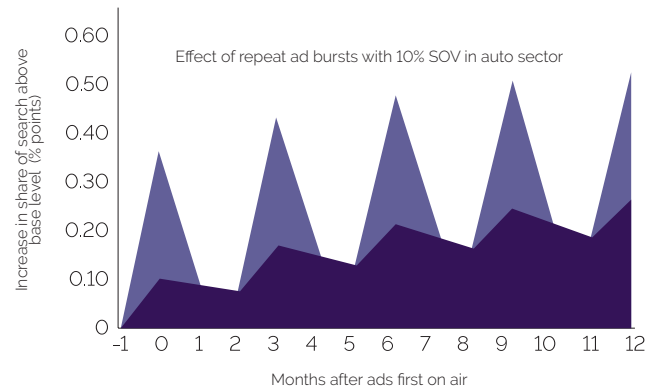
Building brands makes digital more effective

By making their brands better known via mass media, Cotswold and Purplebricks also made their search and other digital marketing more effective.

This is line with analysis published by the IPA in 2020² that found that changes in a brand's share of advertising voice (SoV) correlated with shifts in the brand's share of organic searches (SoS) in the automotive, energy and telecoms industries.

While bursts of advertising prompted immediate spikes in search volumes, these quickly fell back to a more residual level of interest unless advertising was sustained.

Figure 3: Long-term advertising drives search



Data source: adam&eve DDB

None of this is to argue that digital media cannot be used to build brands. The IPA Effectiveness Databank contains examples to rebut this claim.

There is also much convincing research that channels such as TV or outdoor are more effective when used in combination with digital than without it.³

However, the evidence does suggest that there is not one reason why online brands should also invest in offline brand building but many.

The IPA and the FT, along with EffWorks, a cross industry marketing initiative, have partnered to support more effective advertising by businesses. For more on effectiveness materials, including links to IPA publications, visit ipa.co.uk/effectiveness



Please get in touch if you would like our support to help your business improve its marketing and brand effectiveness.

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