

The long and the short of it: 10 key principles of success

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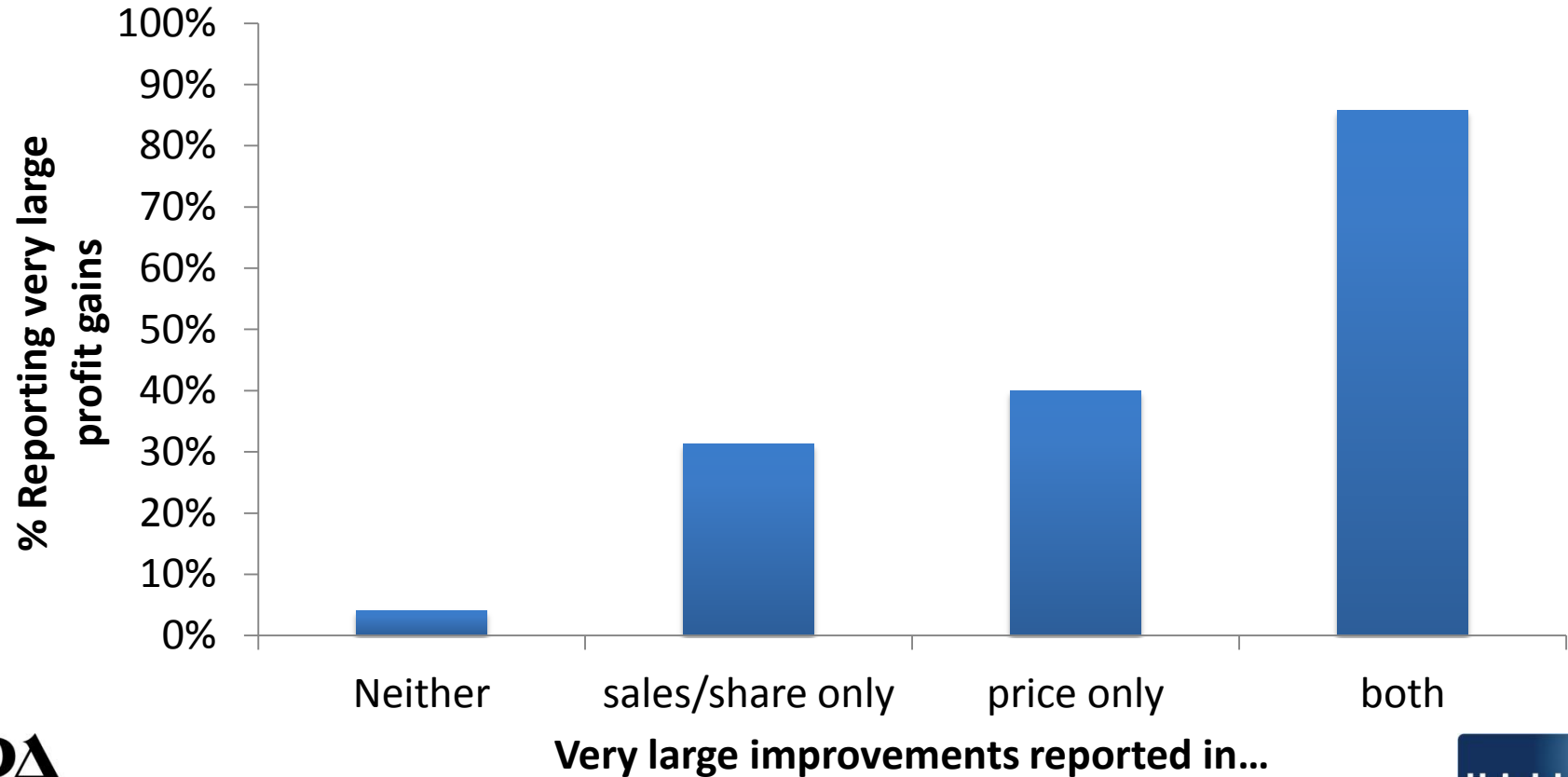
Our new research

- What are the ingredients of effectiveness?
 - over the short term?
 - over the long term?
- Method: meta-analysis of IPA effectiveness Databank
 - 996 campaigns
 - 700 brands
 - 83 categories
- Compare effects of strategies over short & long term.

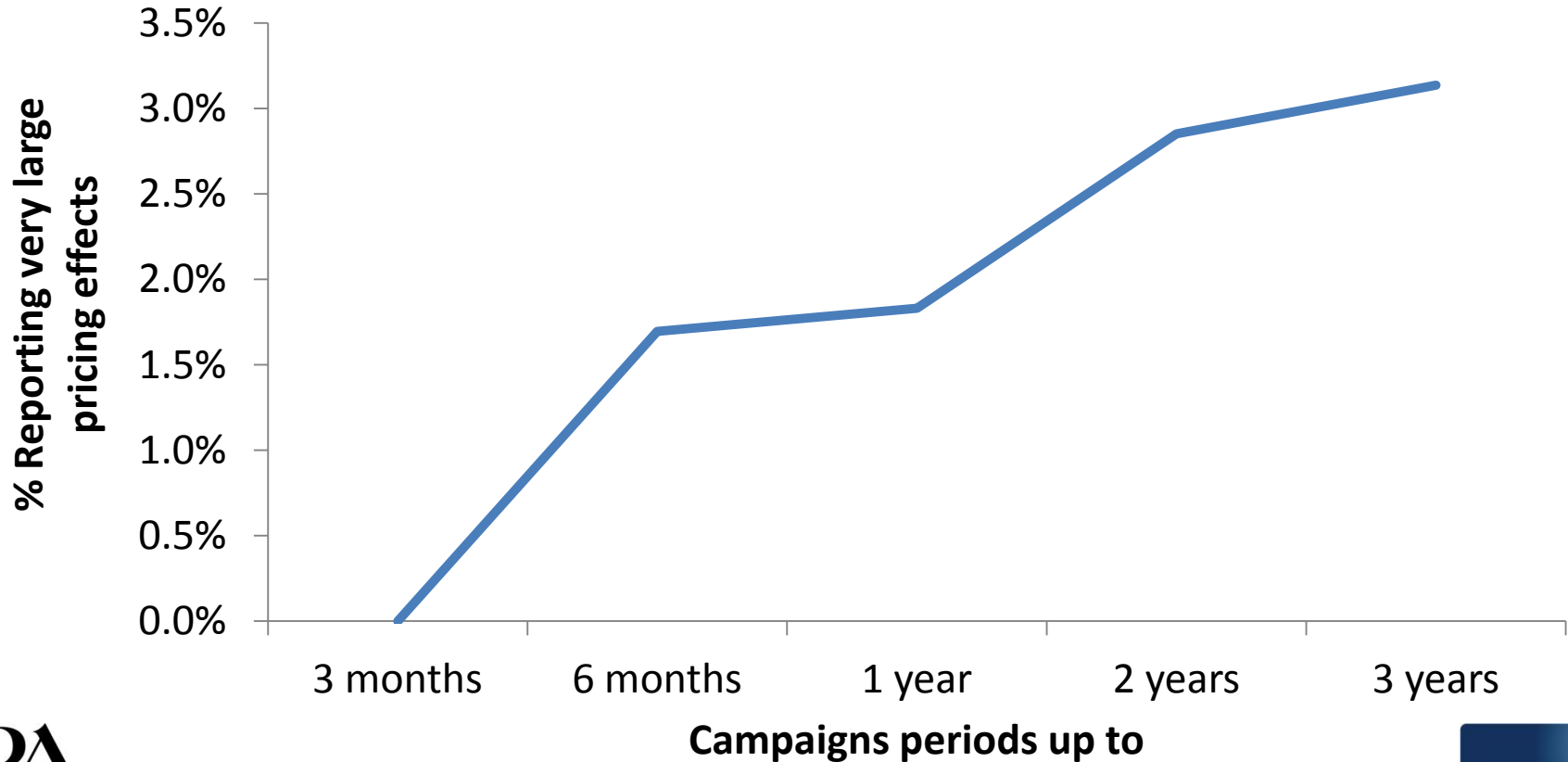
What's the problem?

- No long term effects without short term.
- But short and long term effects are different
- Short term effects are vital for efficiency.
- But long term effects drive growth and profit.
- You need both.
- But how do you balance them?

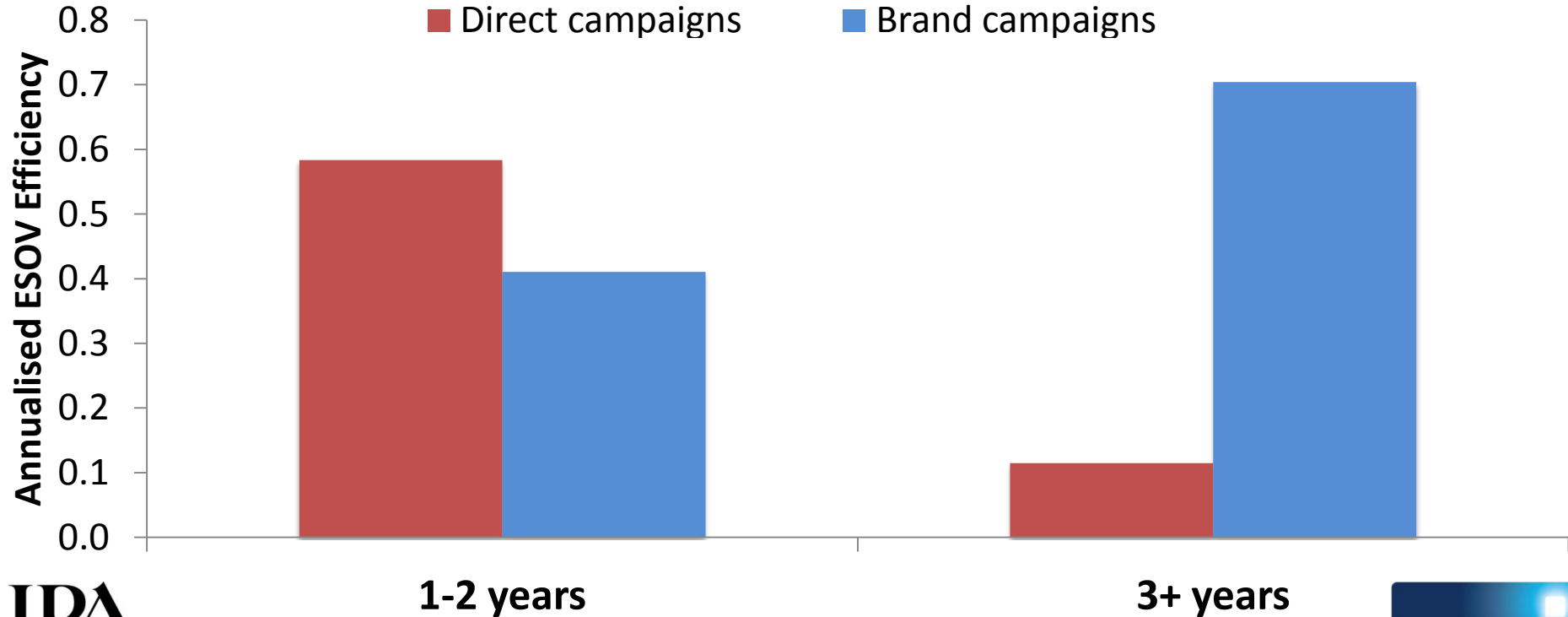
1) Support volume and price



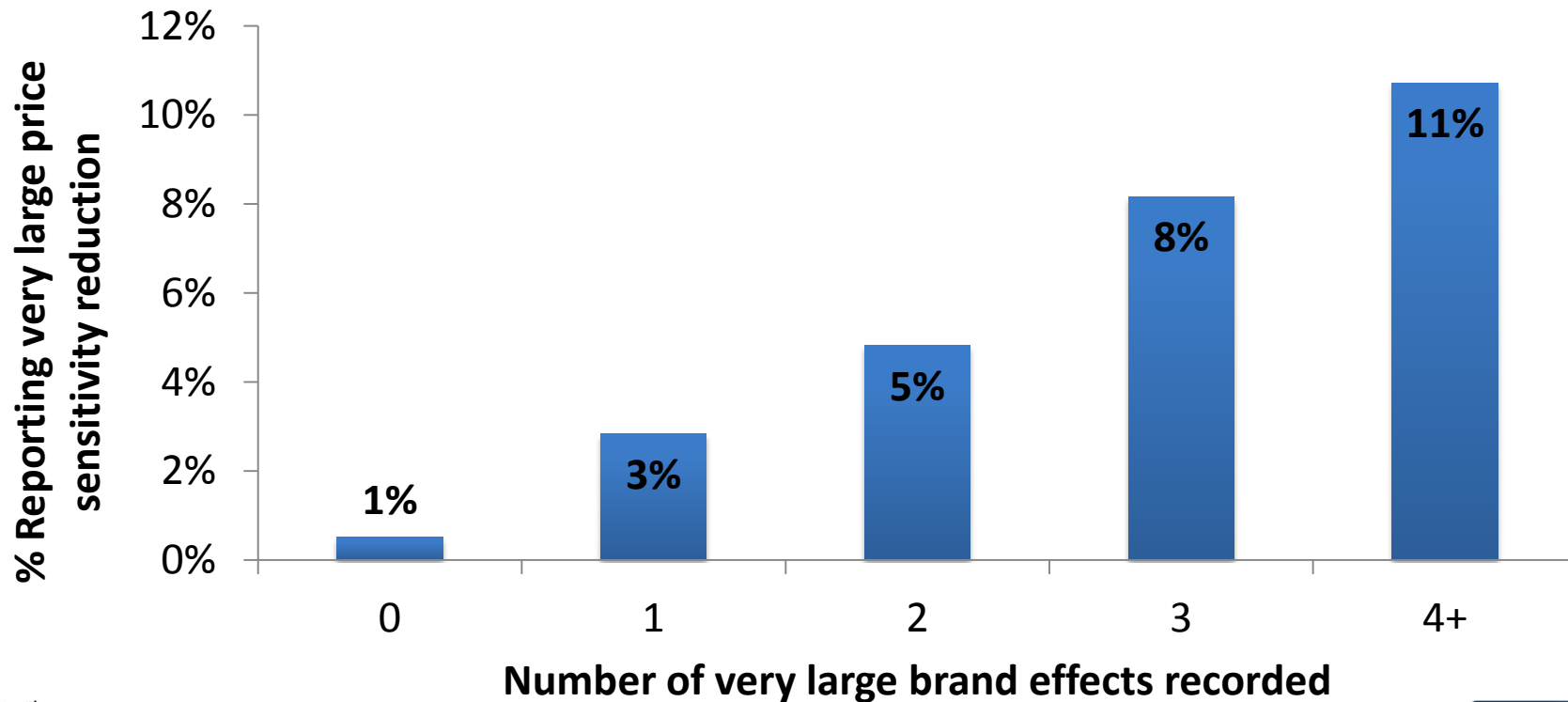
But price effects take time



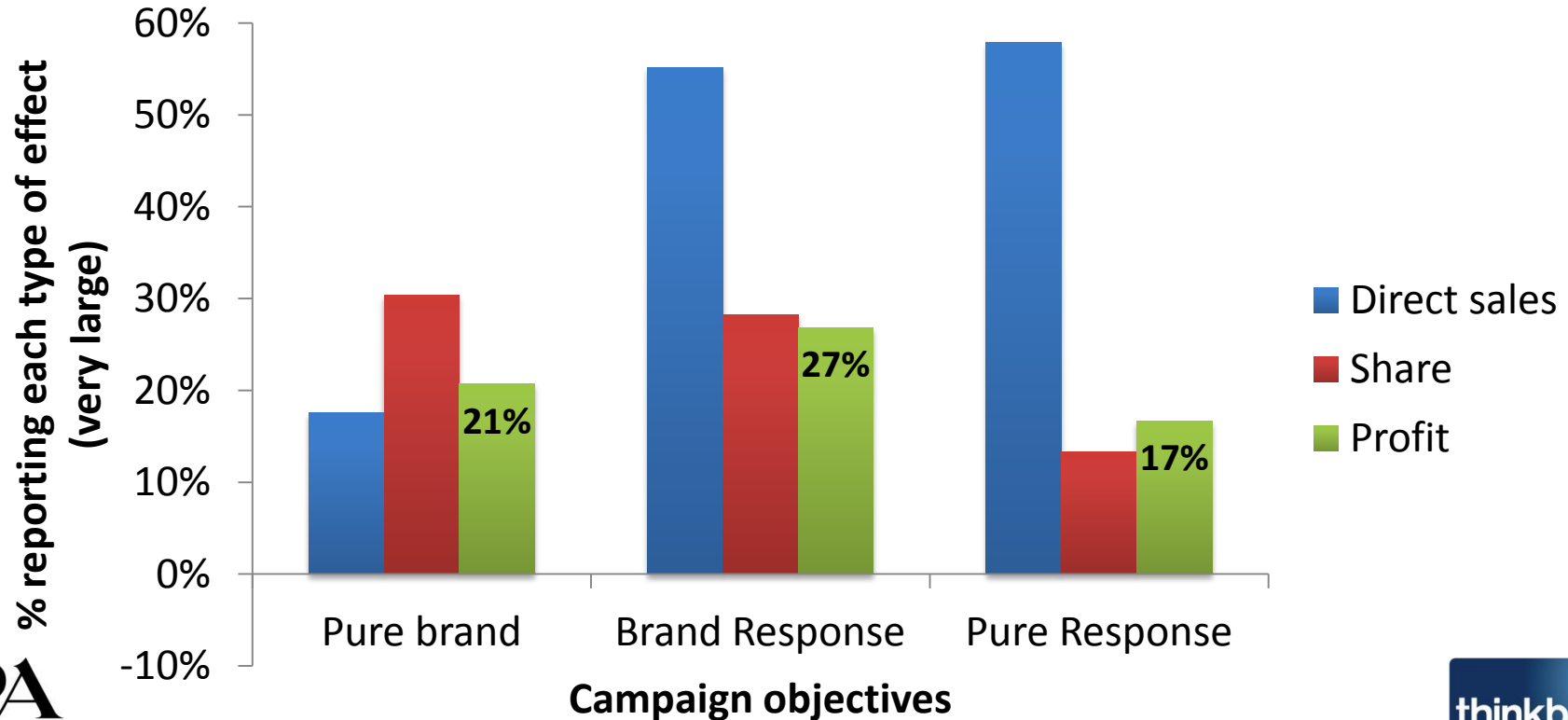
2) Build sales and saleability



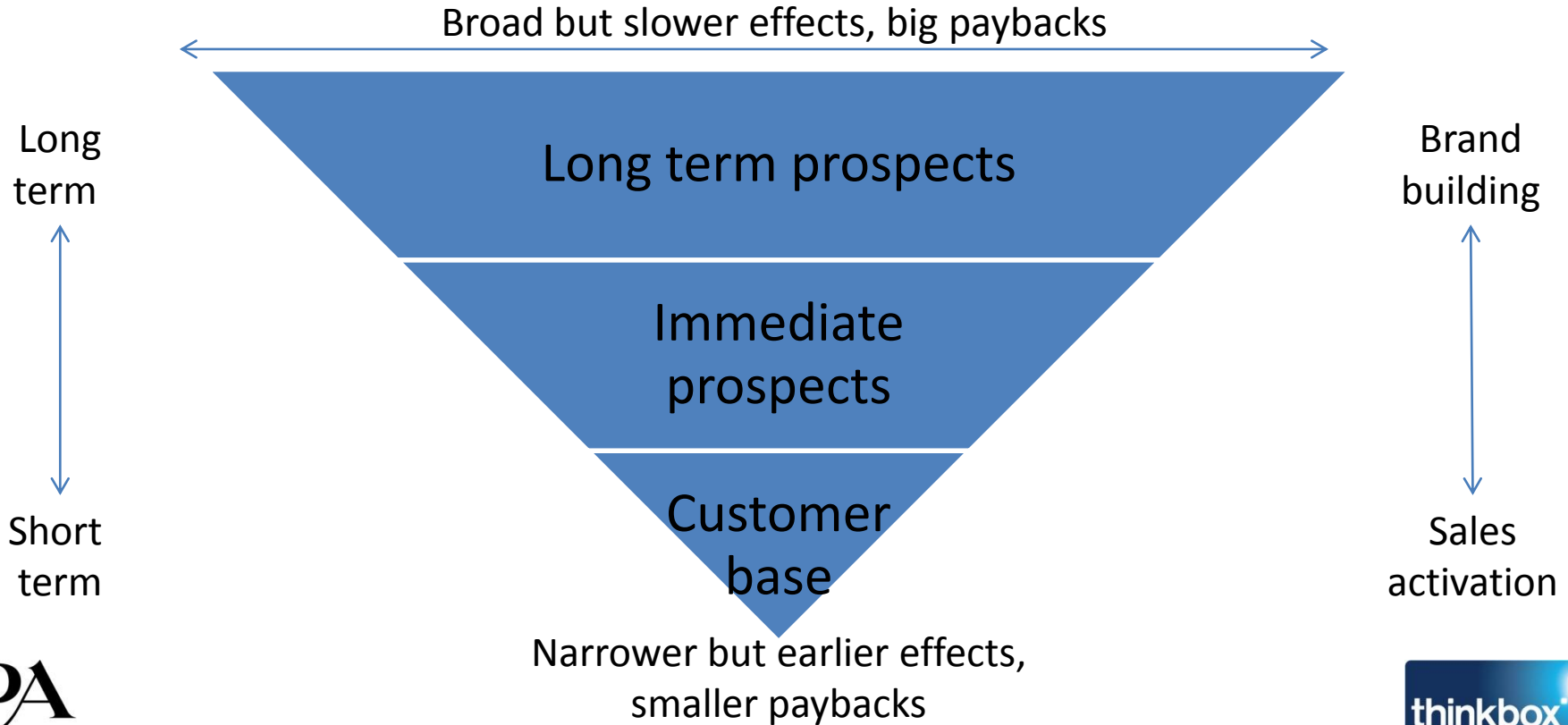
Price effects depend on brand-building



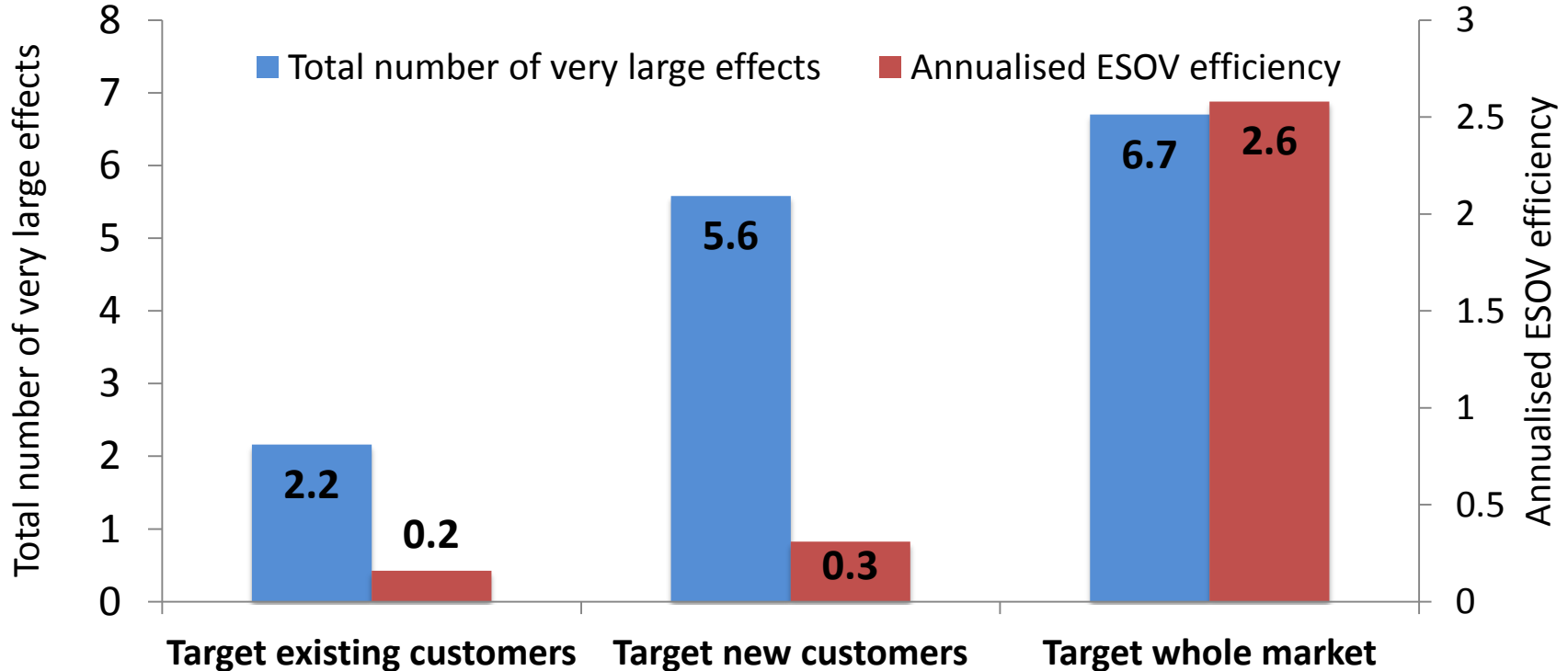
The need for 'brand response'



3) Talk to all your prospects

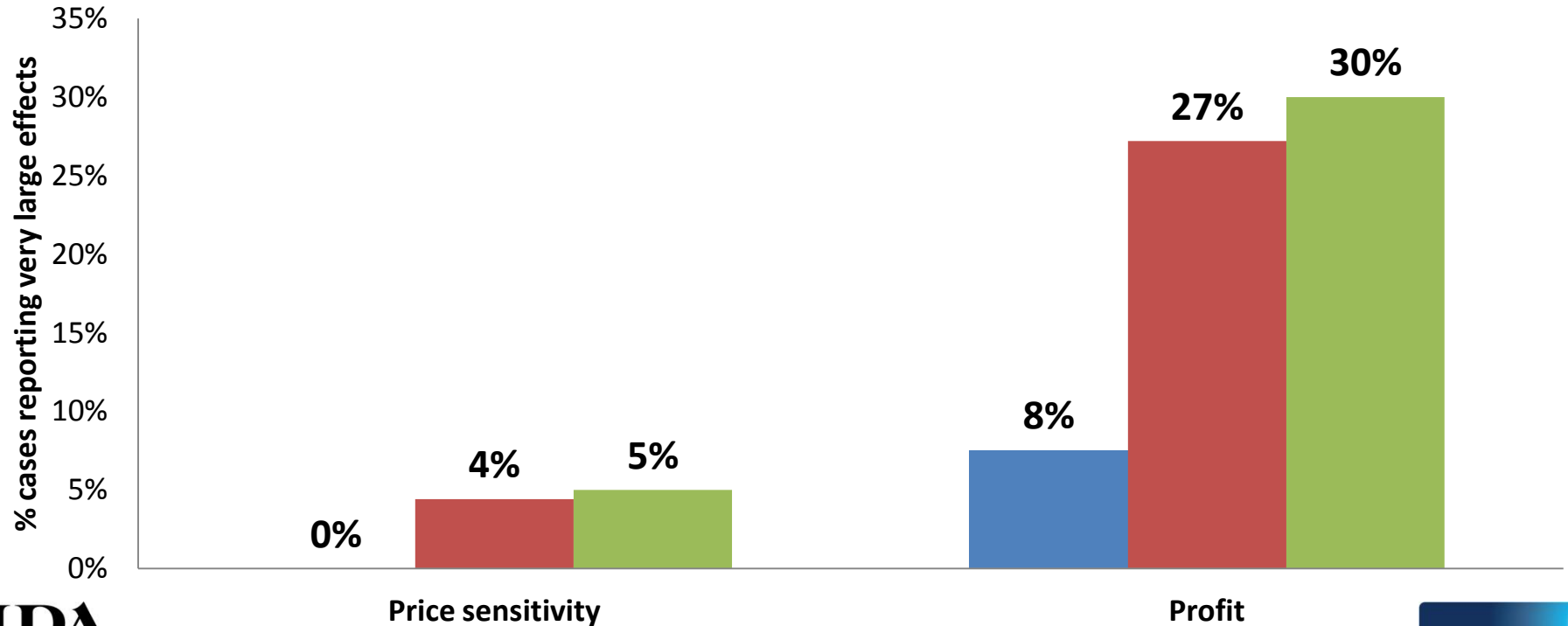


Broad reach for effectiveness & efficiency

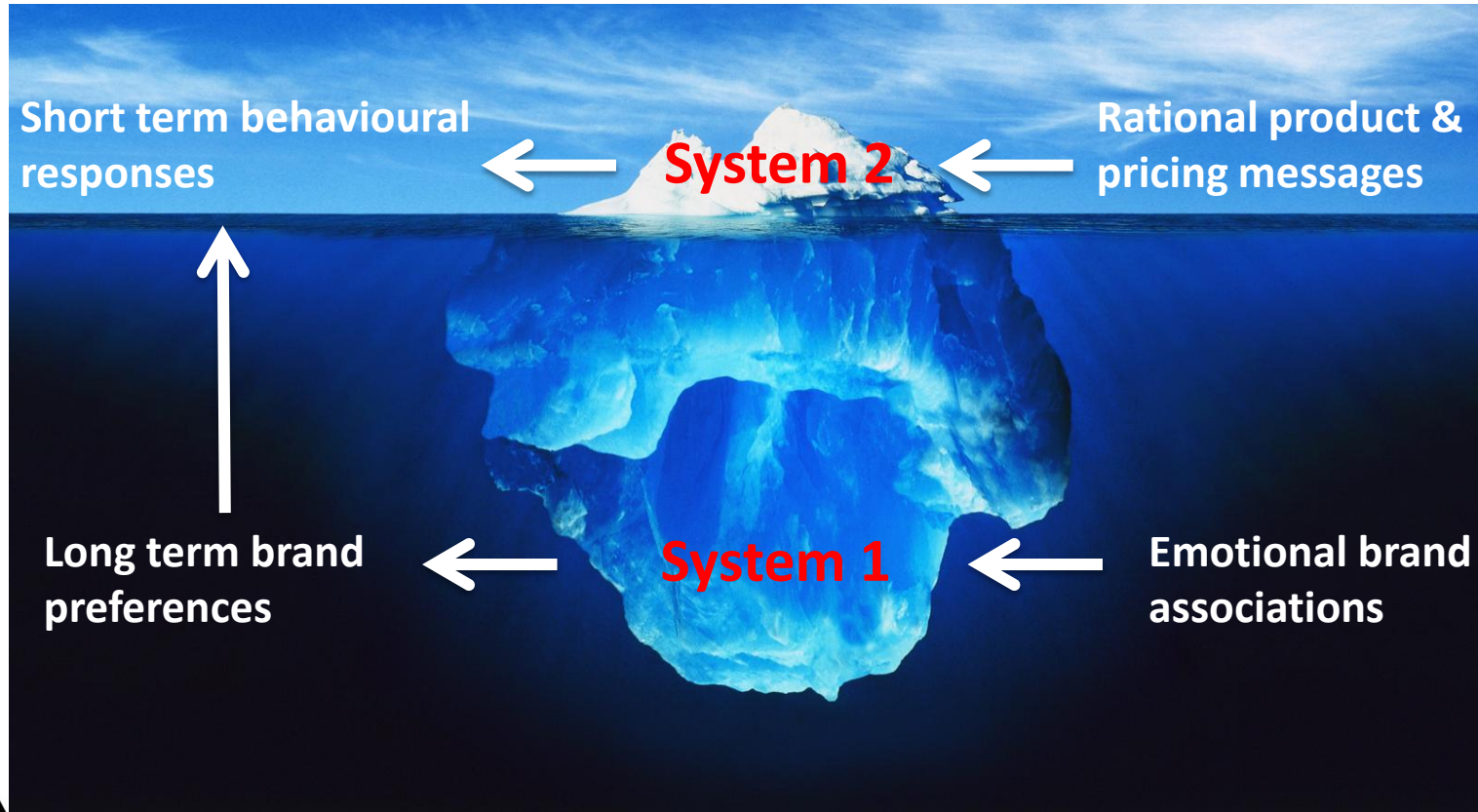


Broad reach for price & profit

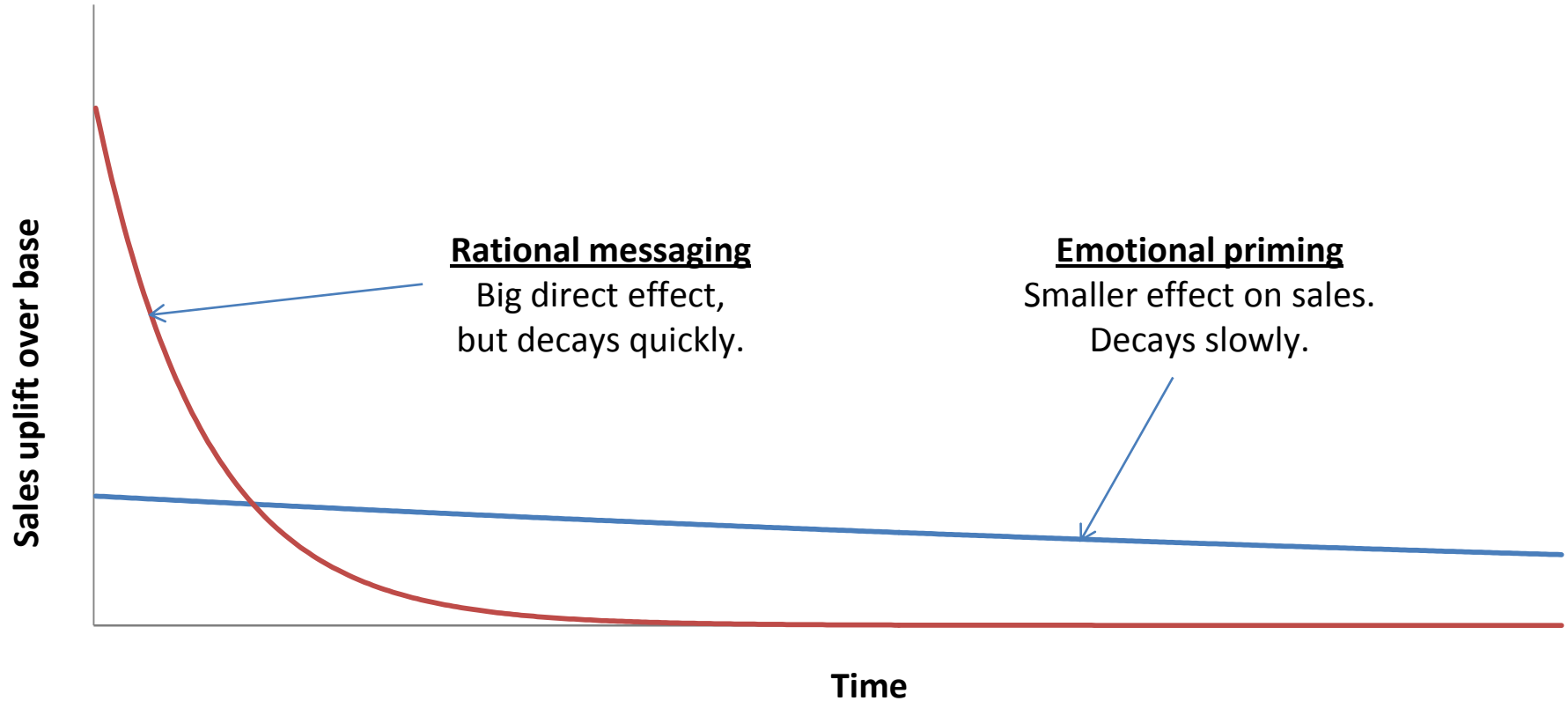
■ Target existing customers ■ Target non-customers ■ Target whole market



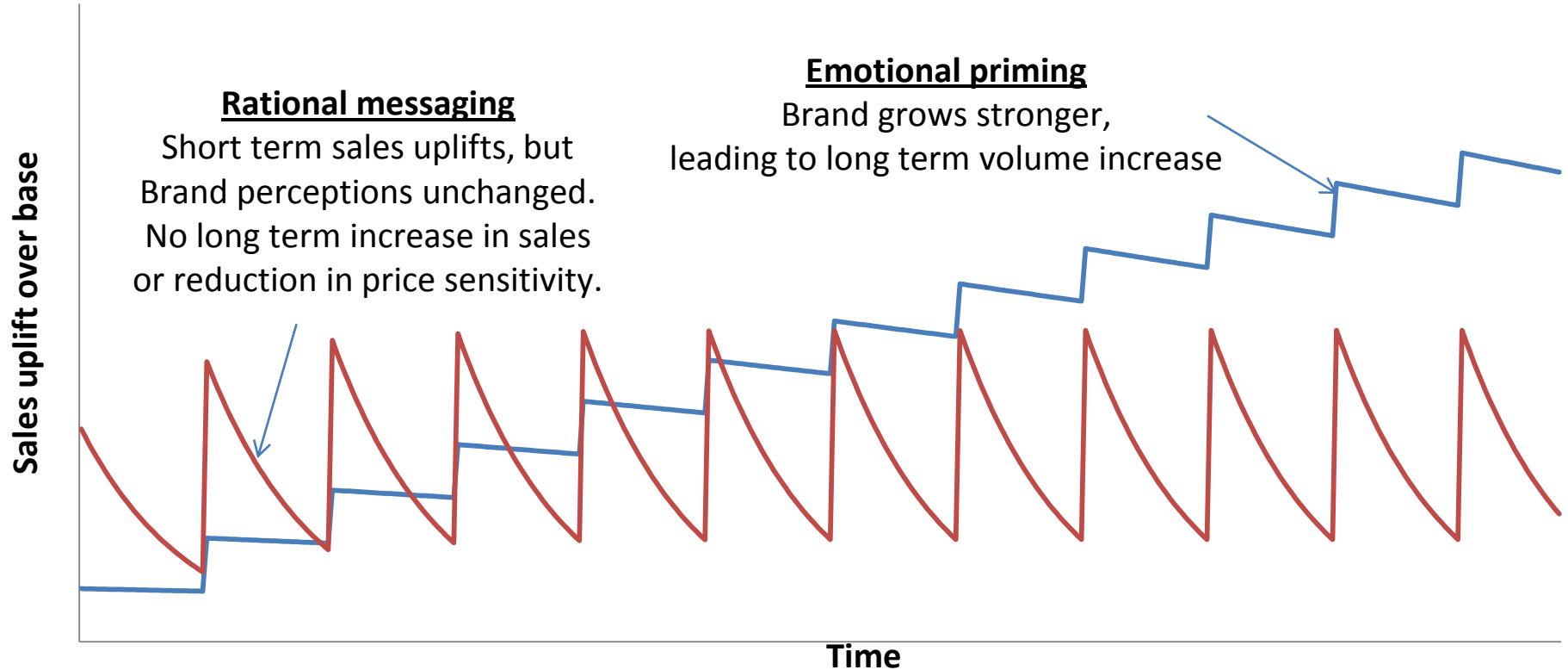
4) Balance head & heart



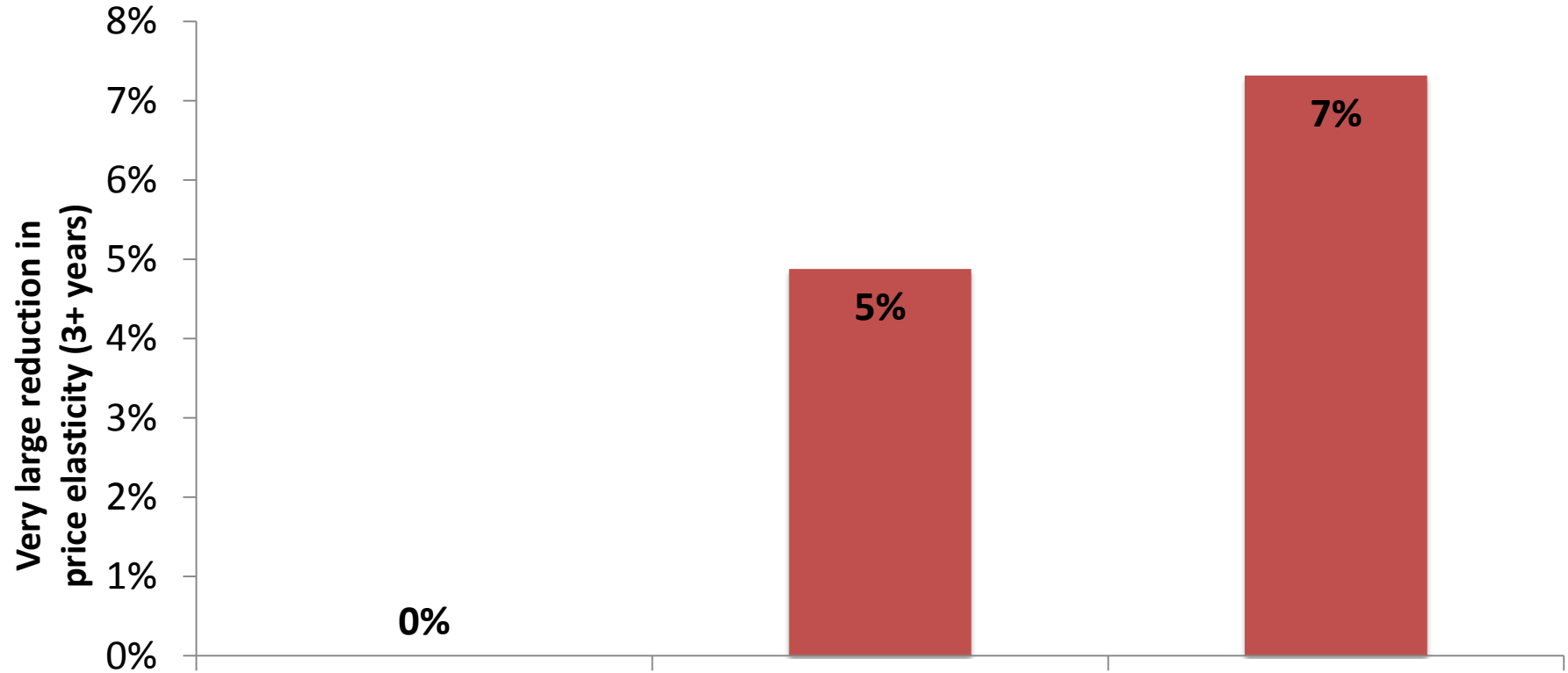
Effect of a single exposure



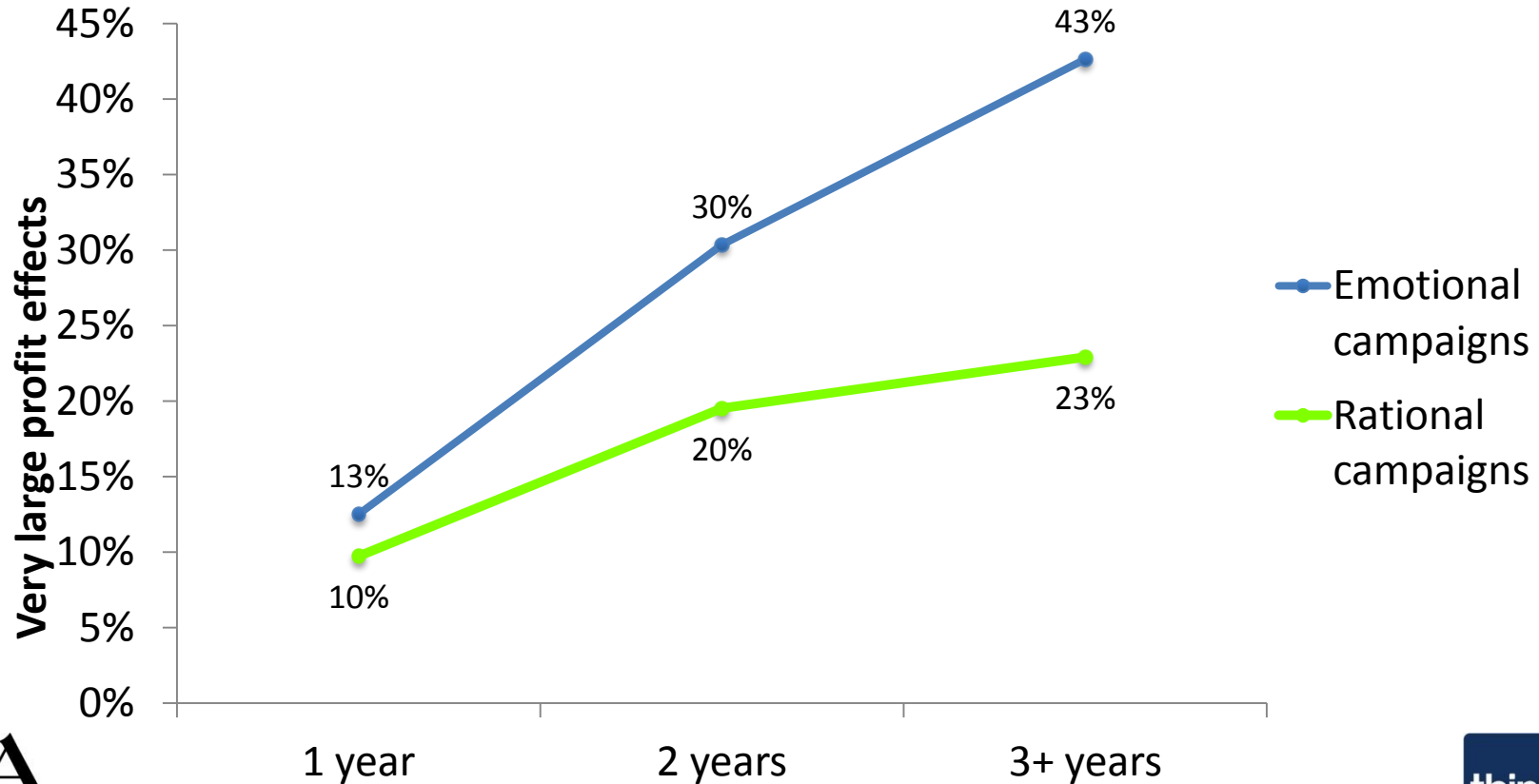
Effect of a multiple exposures



Emotions drive long term price elasticity



Emotional effects build over years

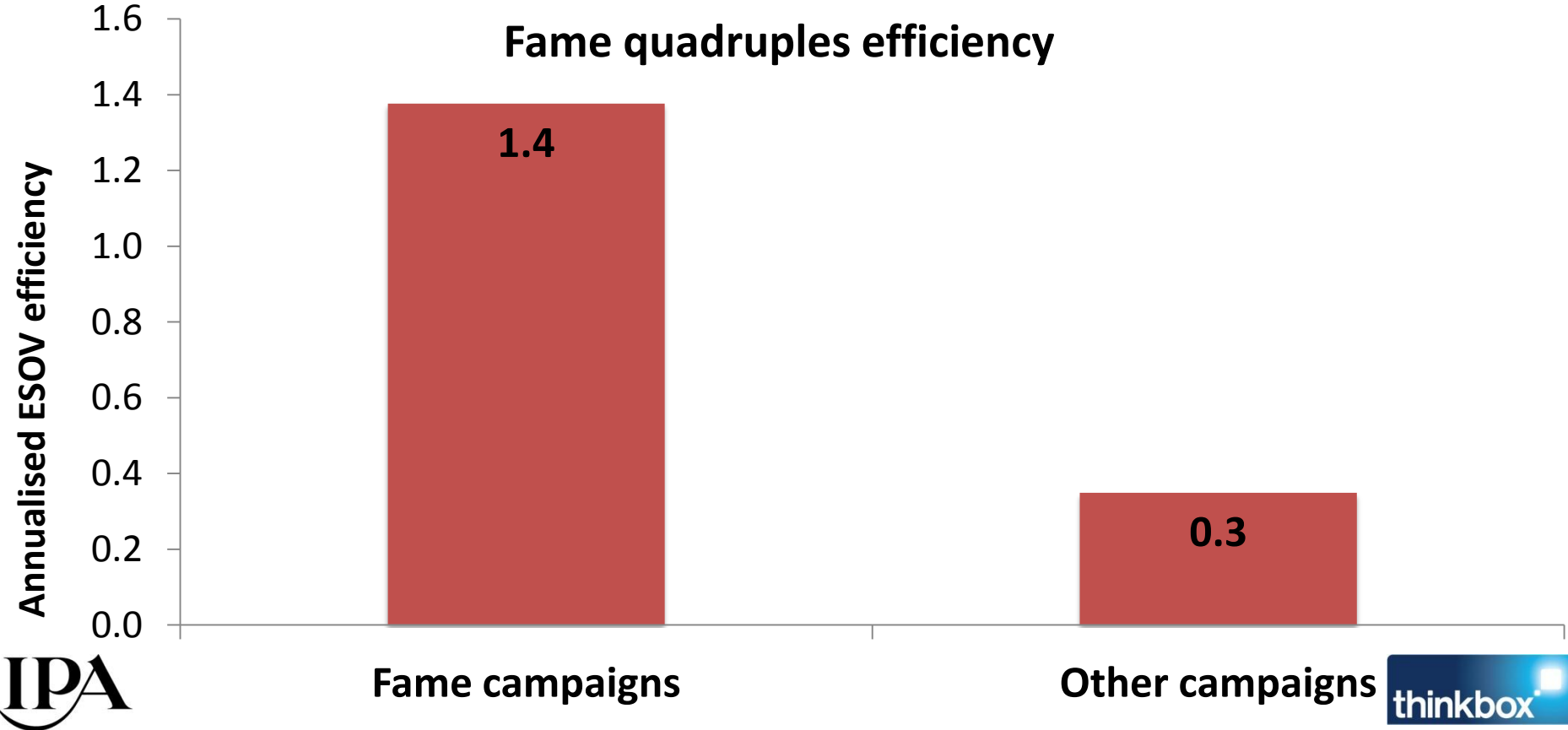


Emotional priming at work: John Lewis

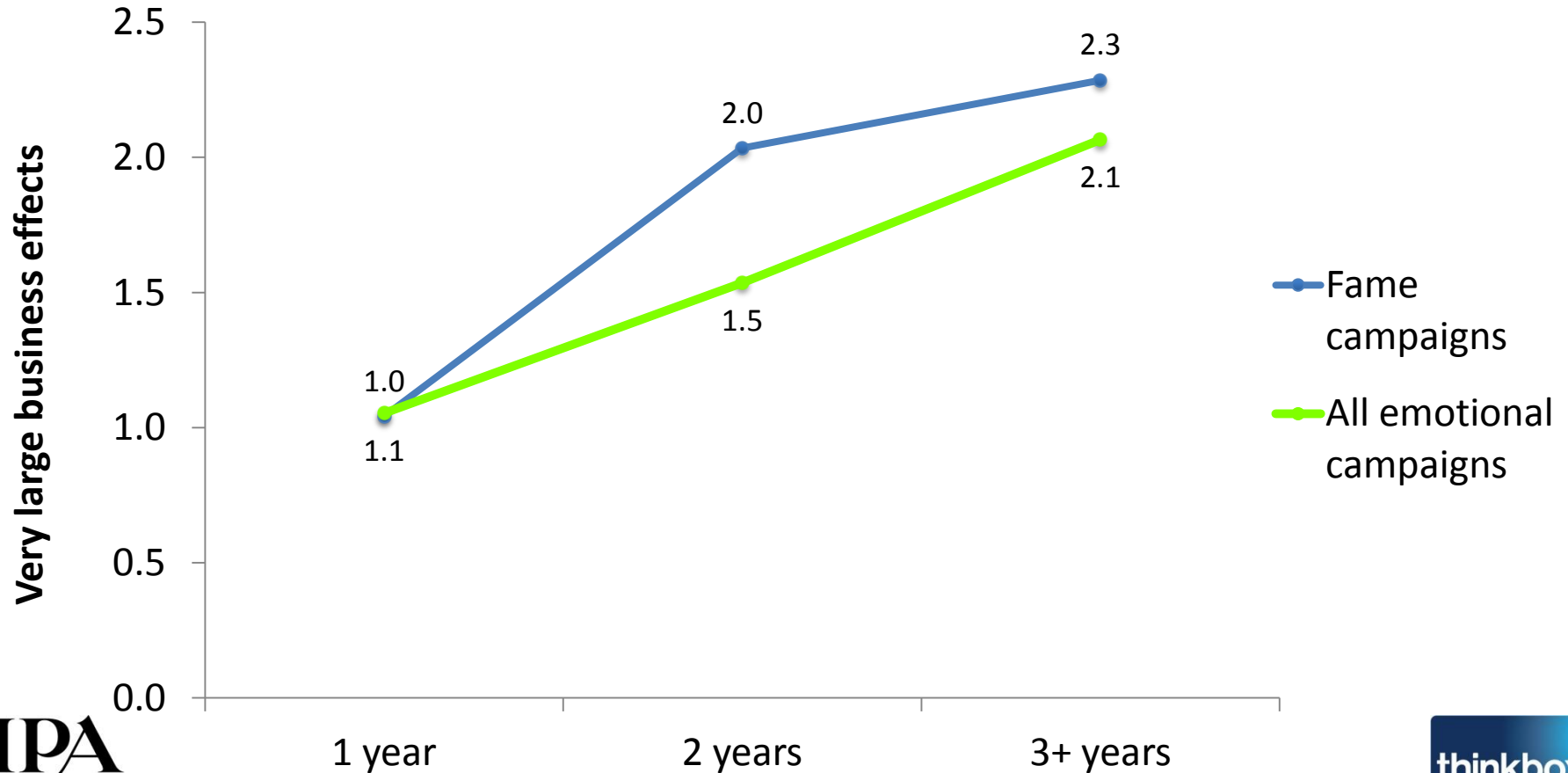


<http://www.youtube.com/watch?v=pSLOnR1s74o>

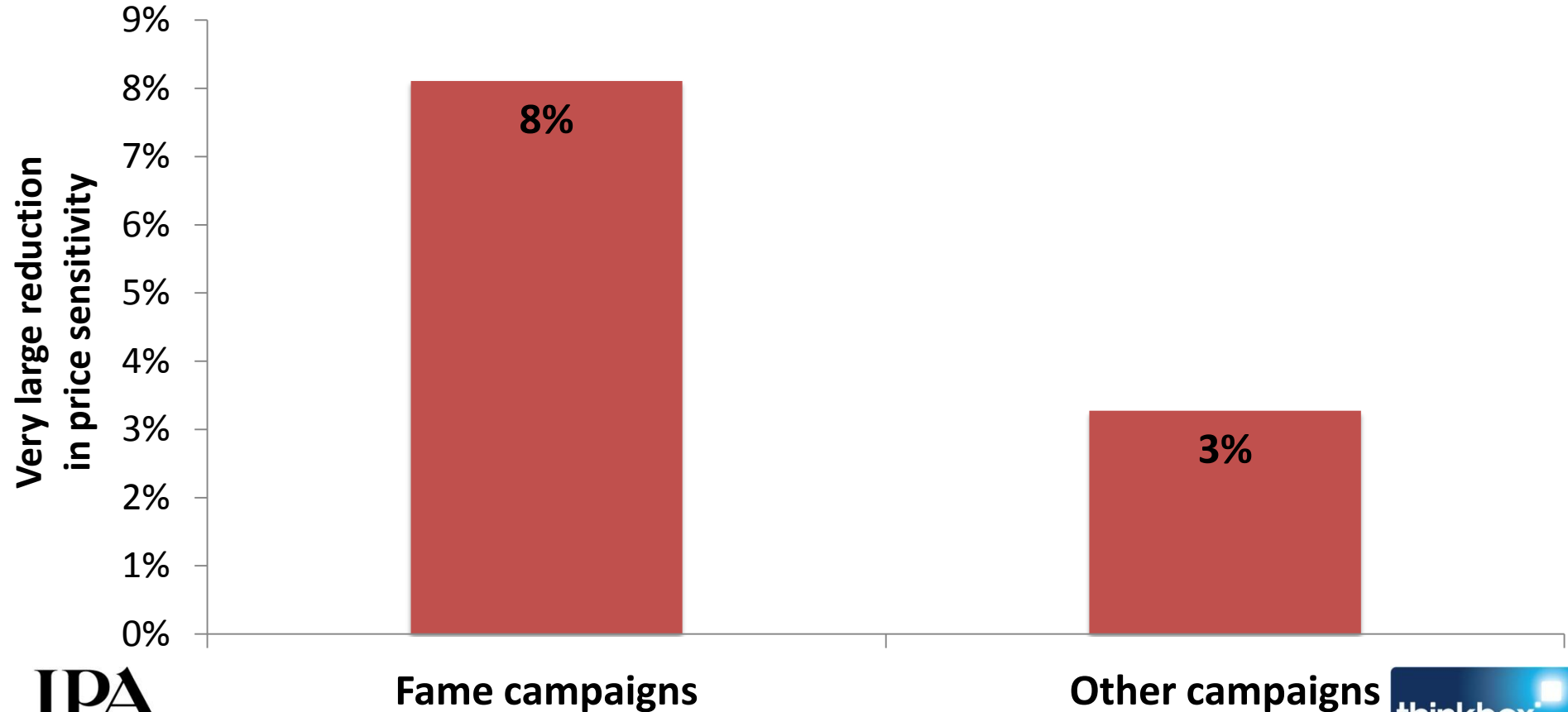
5) Aim for fame



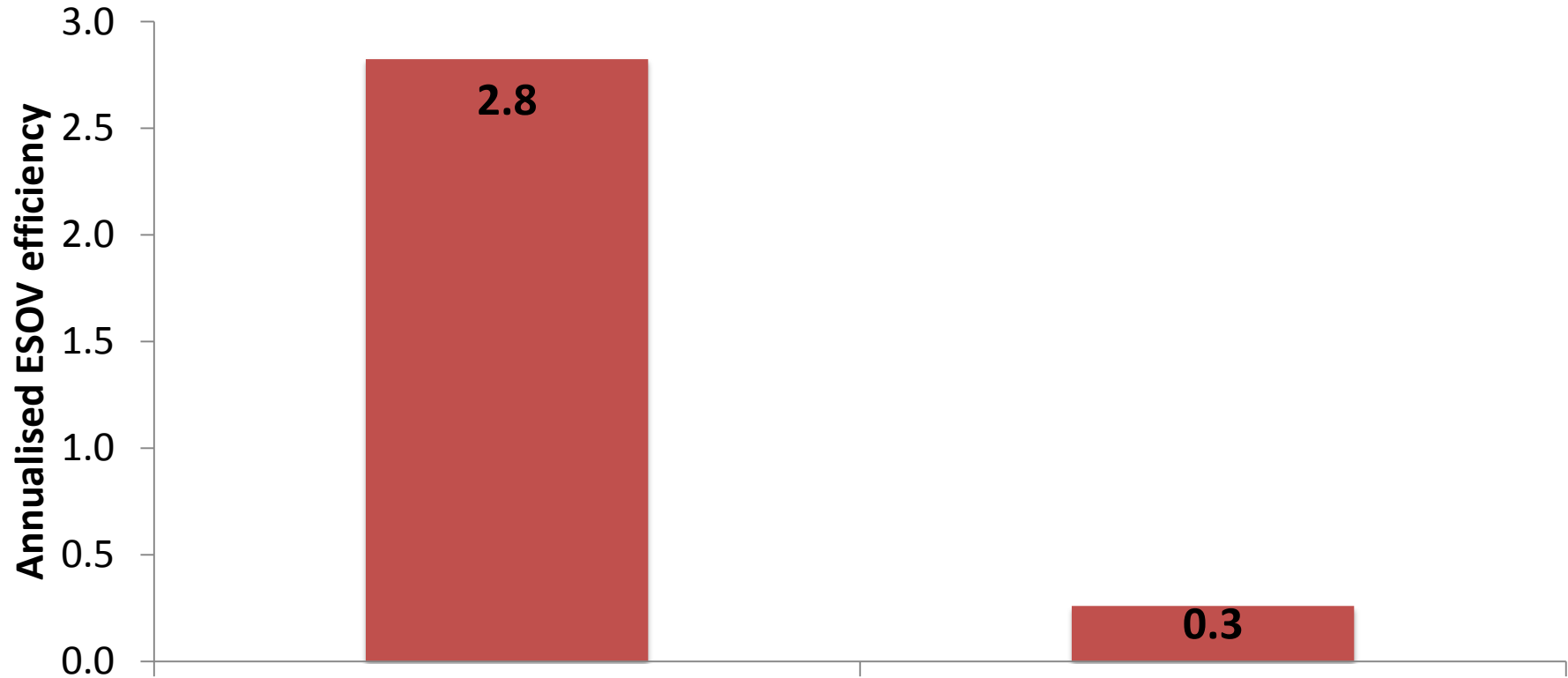
Fame accelerates success



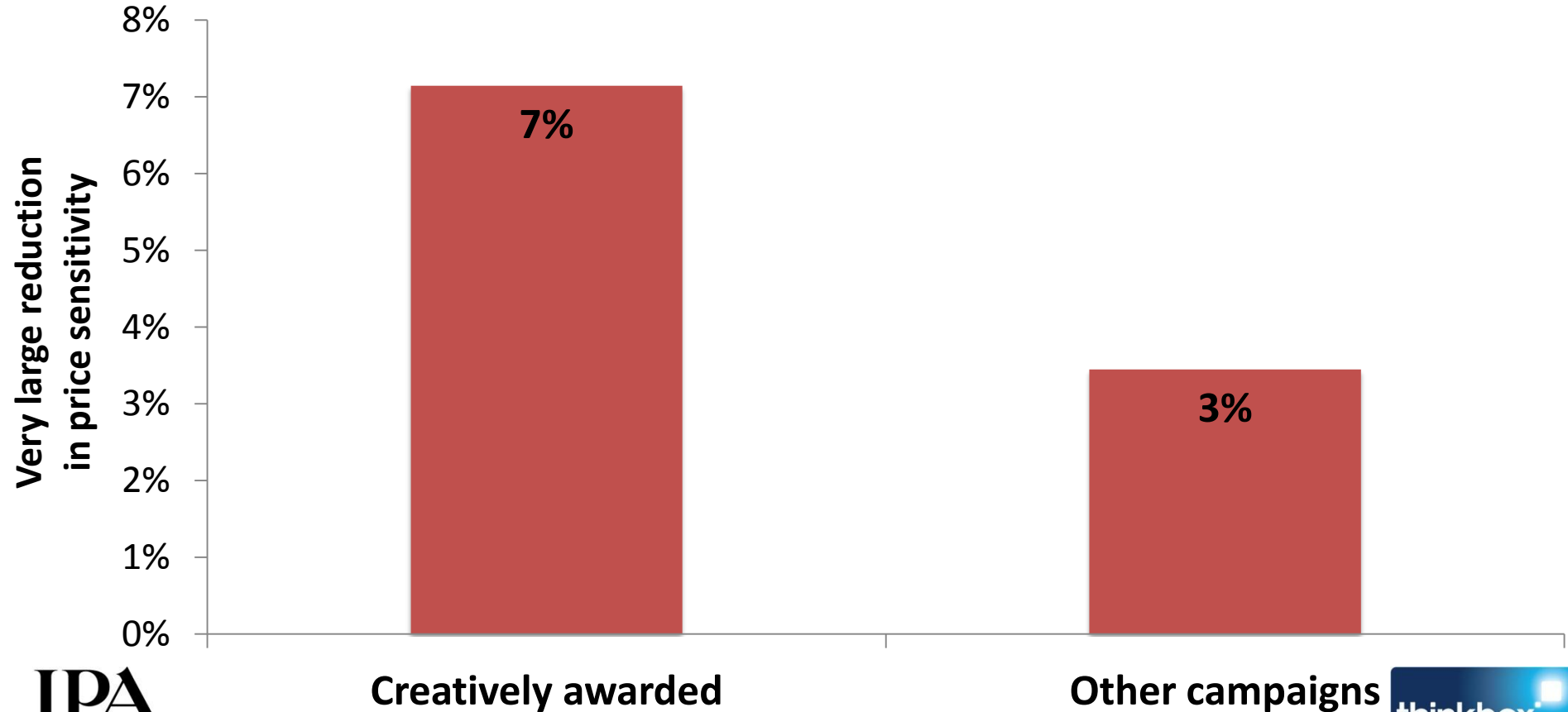
Fame has the biggest effect on price



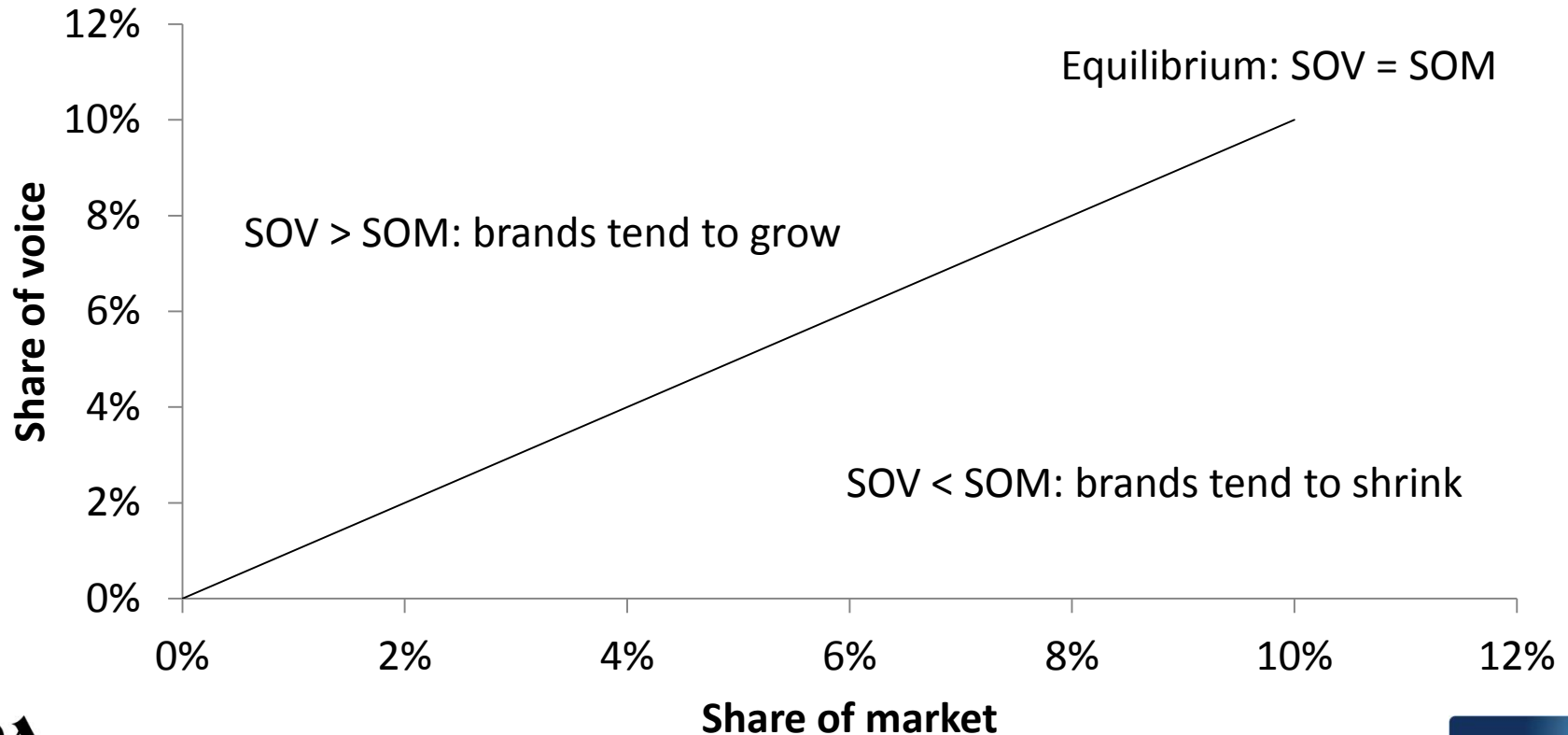
6) Creativity increases efficiency



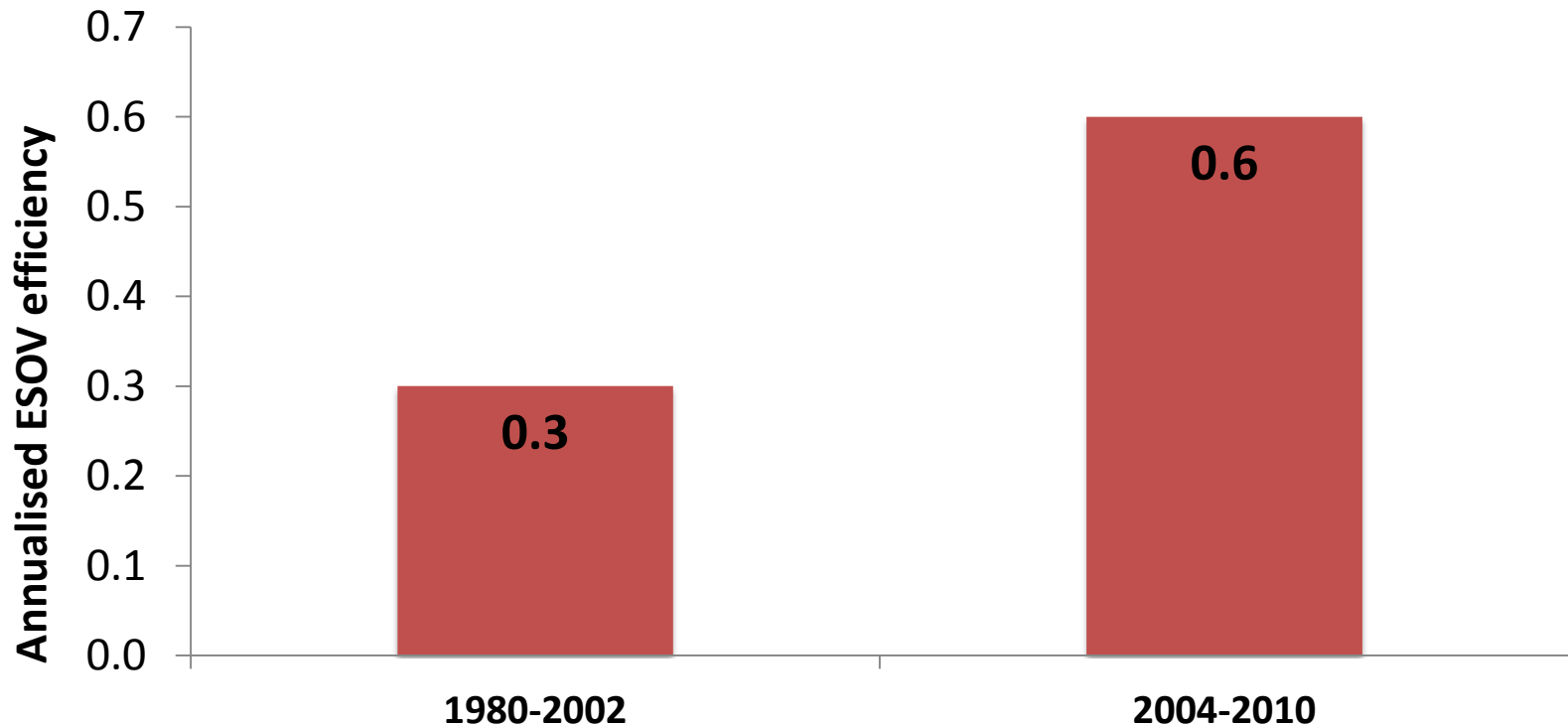
Creativity has a powerful effect on price



7) Share of voice matters more than ever



SOV is becoming more important

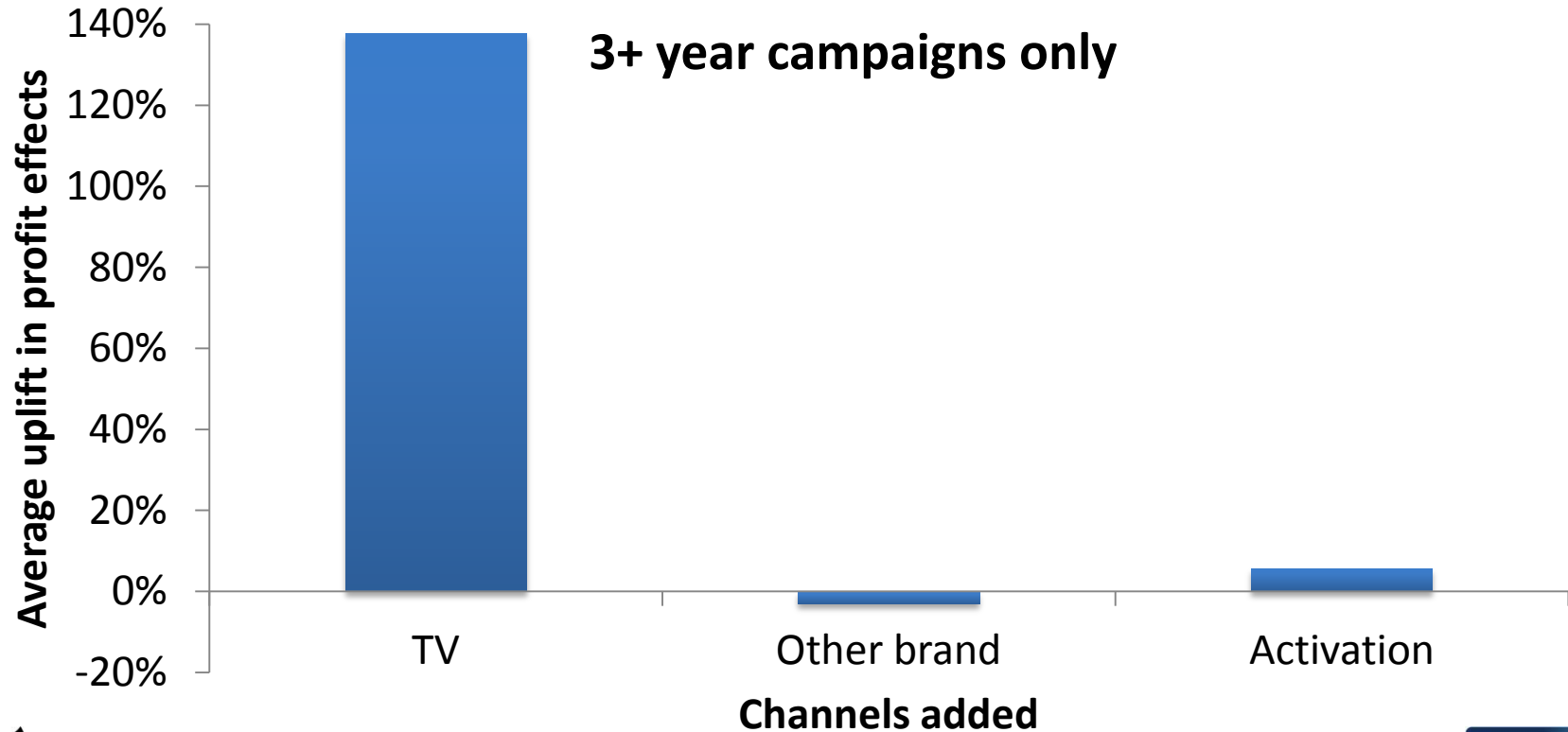


8) Integrate brand and activation

	Brand channels only	Brand + Activation	Activation channels only
Brand effects	1.2	1.6	0.5
Business effects	1.3	1.5	0.7
ESOV efficiency	0.3	0.6	-

Integration can double efficiency

TV is vital for long term profit

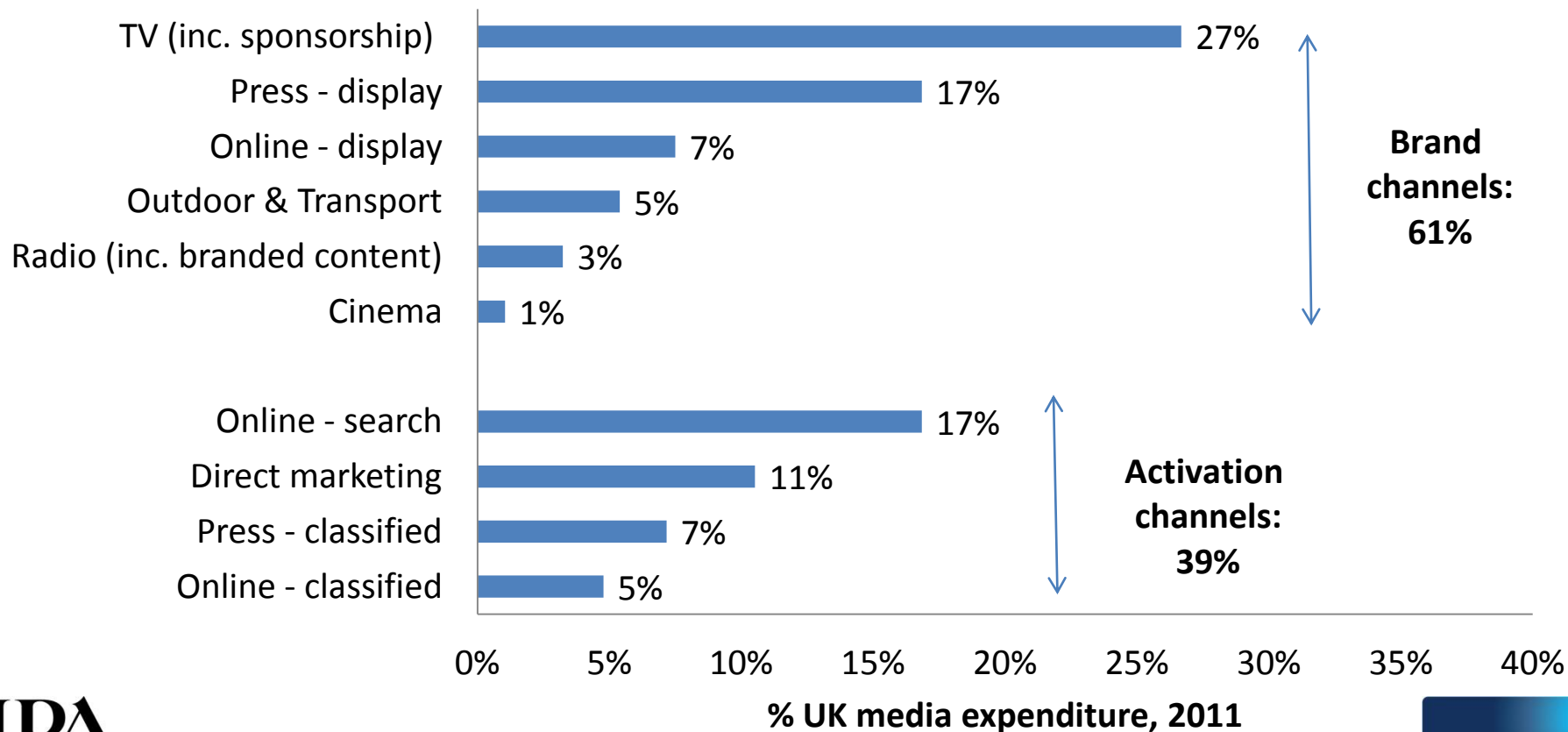


Online: horses for courses

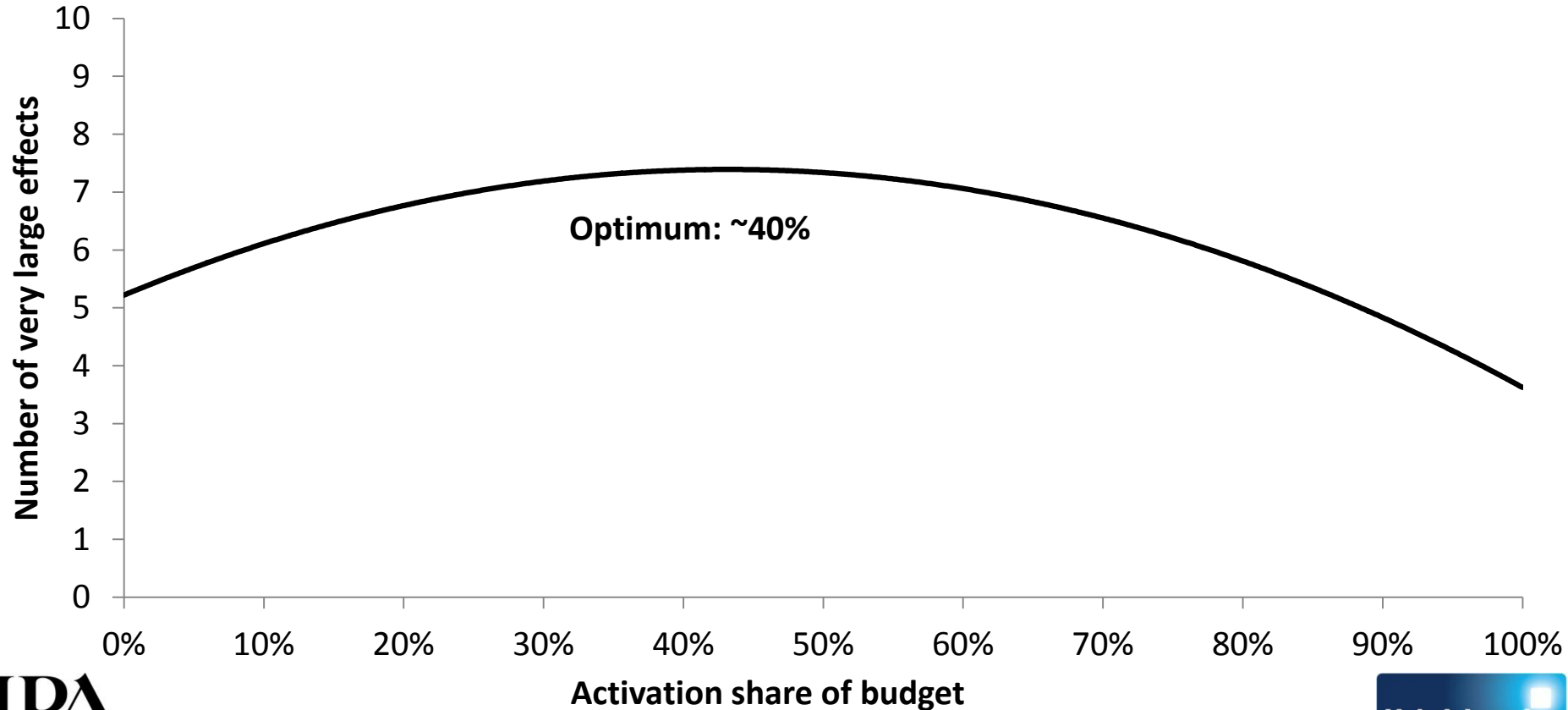
Some online channels are better for brand building, others for activation

Channel:	Websites	Interactive	Social/viral	Mobile/Apps	Search
Increase in number of brand effects:	17%	15%	-2%	-5%	-6%

9) Balance brand and activation SOV



The 60:40 rule



VW: balancing brand and activation



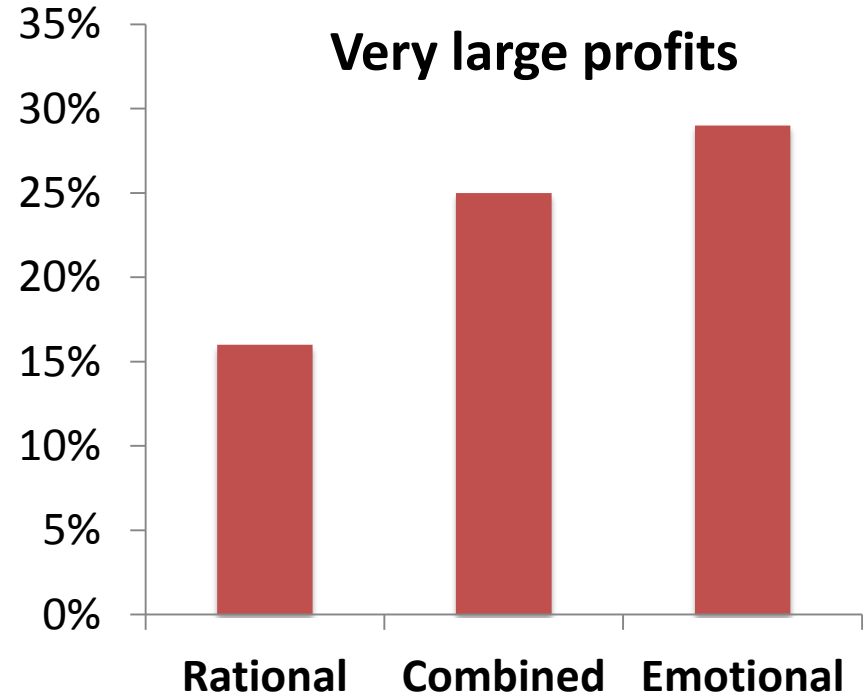
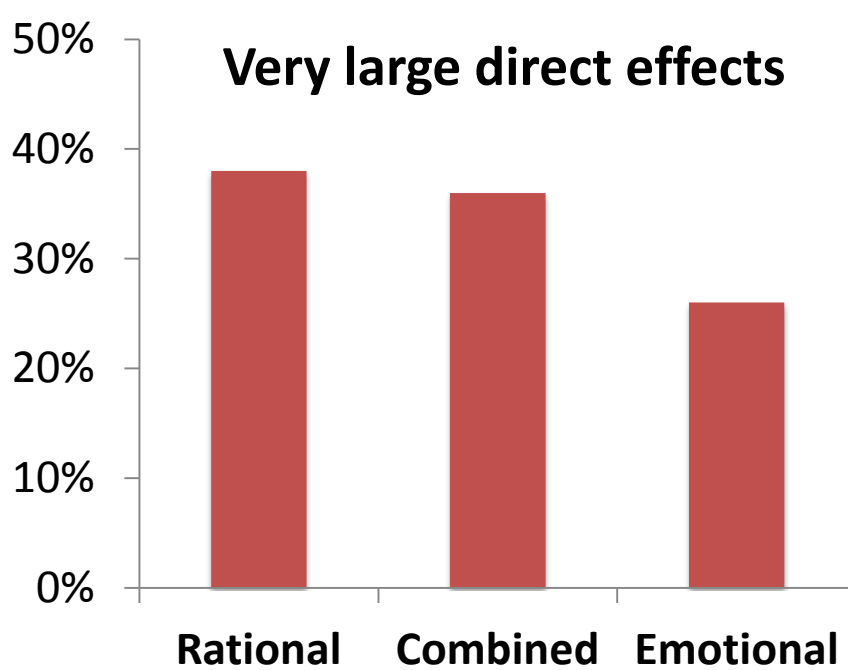
<http://www.youtube.com/watch?v=oeKuFs0KxO8>

VW: balancing brand and activation



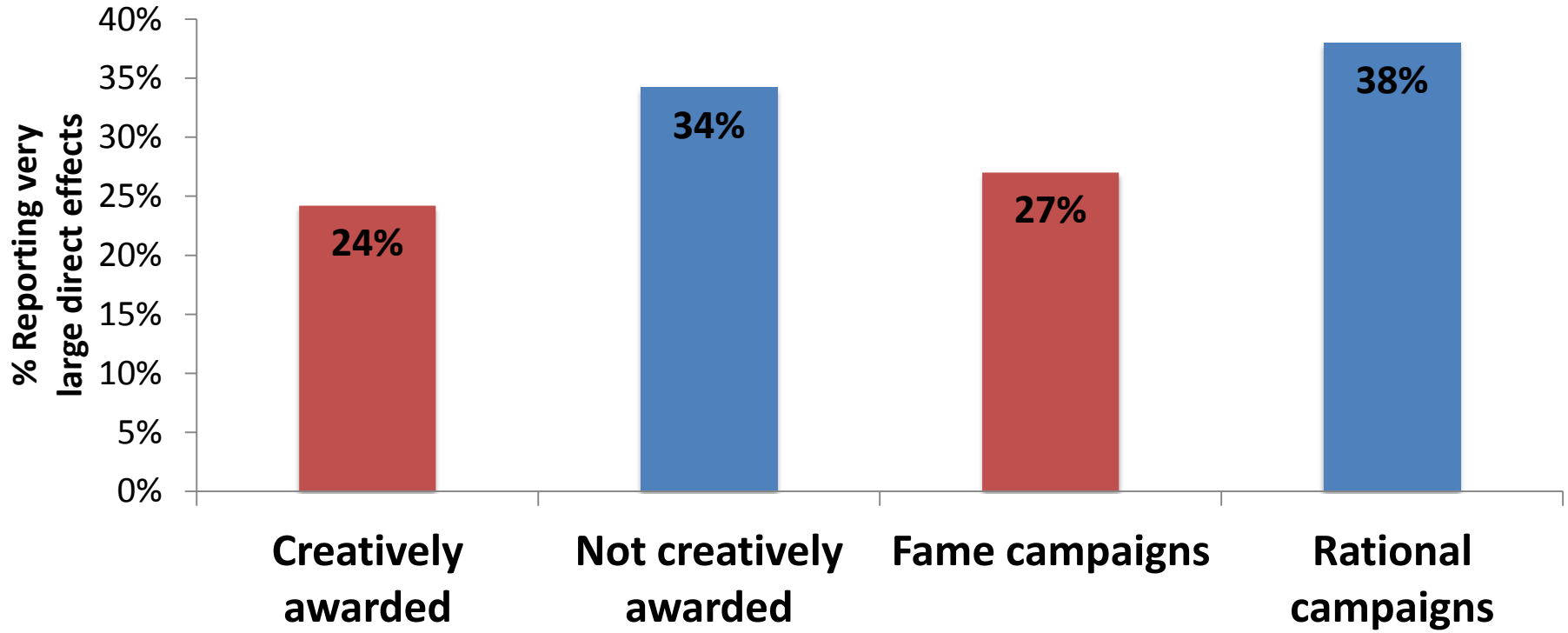
http://www.youtube.com/watch?feature=player_embedded&v=tx_Awd6-_Do

10) Measure short and long-term effects

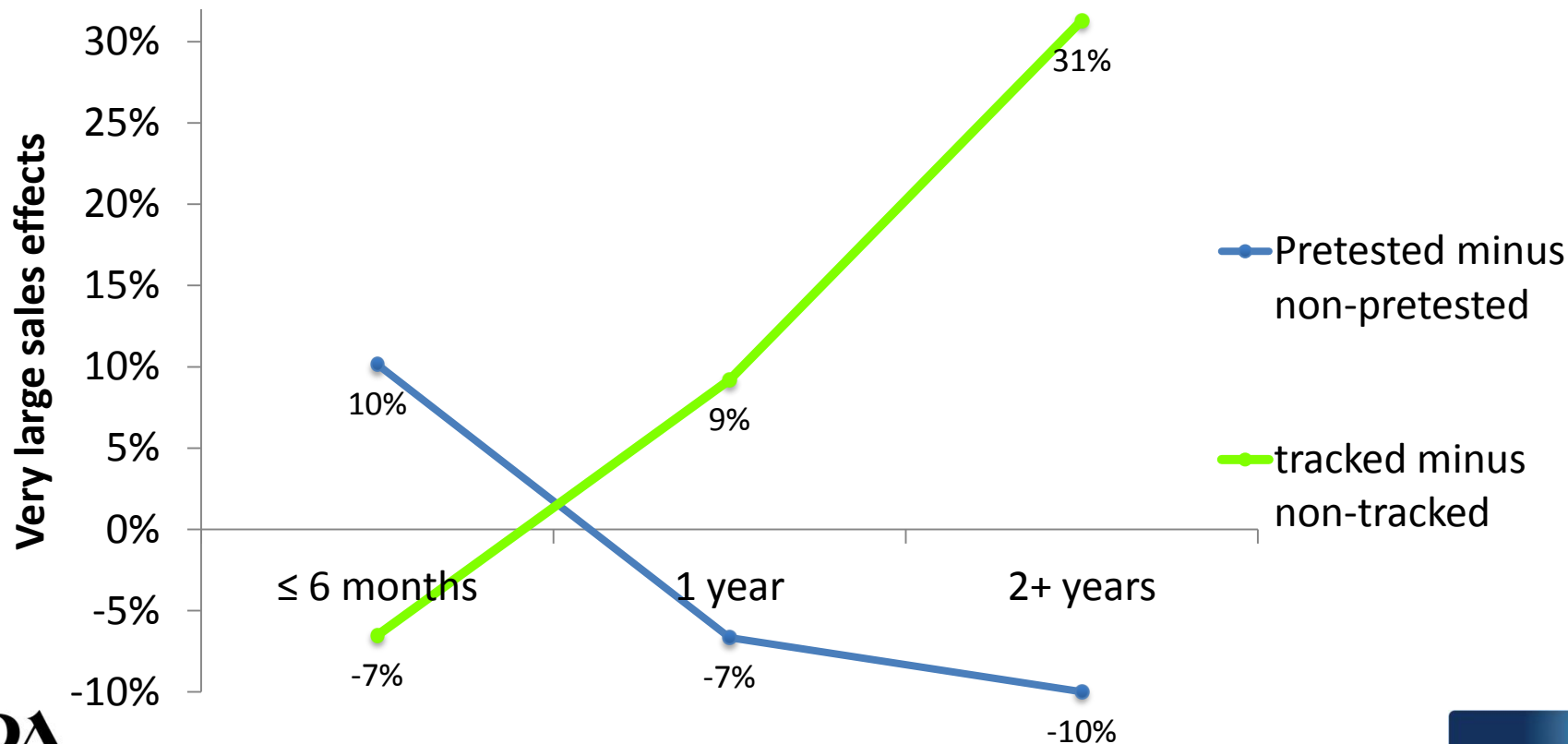


Short term metrics alone can be misleading

Big data = big danger?



Pre-testing vs. tracking



Key long term metrics: SOV & price elasticity

	Share of voice minus market share	Level of trade promotion	Price elasticity Year 1	Price elasticity Year 2	Price elasticity Year 3
Brand A	+9.3%				
Brand B	+2.9%				
Brand C	-2.0%				

Source: DDB Matrix

Key long term metrics: SOV & price elasticity

	Share of voice minus market share	Level of trade promotion	Price elasticity Year 1	Price elasticity Year 2	Price elasticity Year 3
Brand A	+9.3%	Low			
Brand B	+2.9%	Low			
Brand C	-2.0%	High			

Source: DDB Matrix

Key long term metrics: SOV & price elasticity

	Share of voice minus market share	Level of trade promotion	Price elasticity Year 1	Price elasticity Year 2	Price elasticity Year 3
Brand A	+9.3%	Low	-2.4		
Brand B	+2.9%	Low	-1.9		
Brand C	-2.0%	High	-1.3		

Source: DDB Matrix

Key long term metrics: SOV & price elasticity

	Share of voice minus market share	Level of trade promotion	Price elasticity Year 1	Price elasticity Year 2	Price elasticity Year 3
Brand A	+9.3%	Low	-2.4	-1.7	
Brand B	+2.9%	Low	-1.9	-1.5	
Brand C	-2.0%	High	-1.3	-1.6	

Source: DDB Matrix

Key long term metrics: SOV & price elasticity

	Share of voice minus market share	Level of trade promotion	Price elasticity Year 1	Price elasticity Year 2	Price elasticity Year 3
Brand A	+9.3%	Low	-2.4	-1.7	-0.7
Brand B	+2.9%	Low	-1.9	-1.5	-1.4
Brand C	-2.0%	High	-1.3	-1.6	-2.0

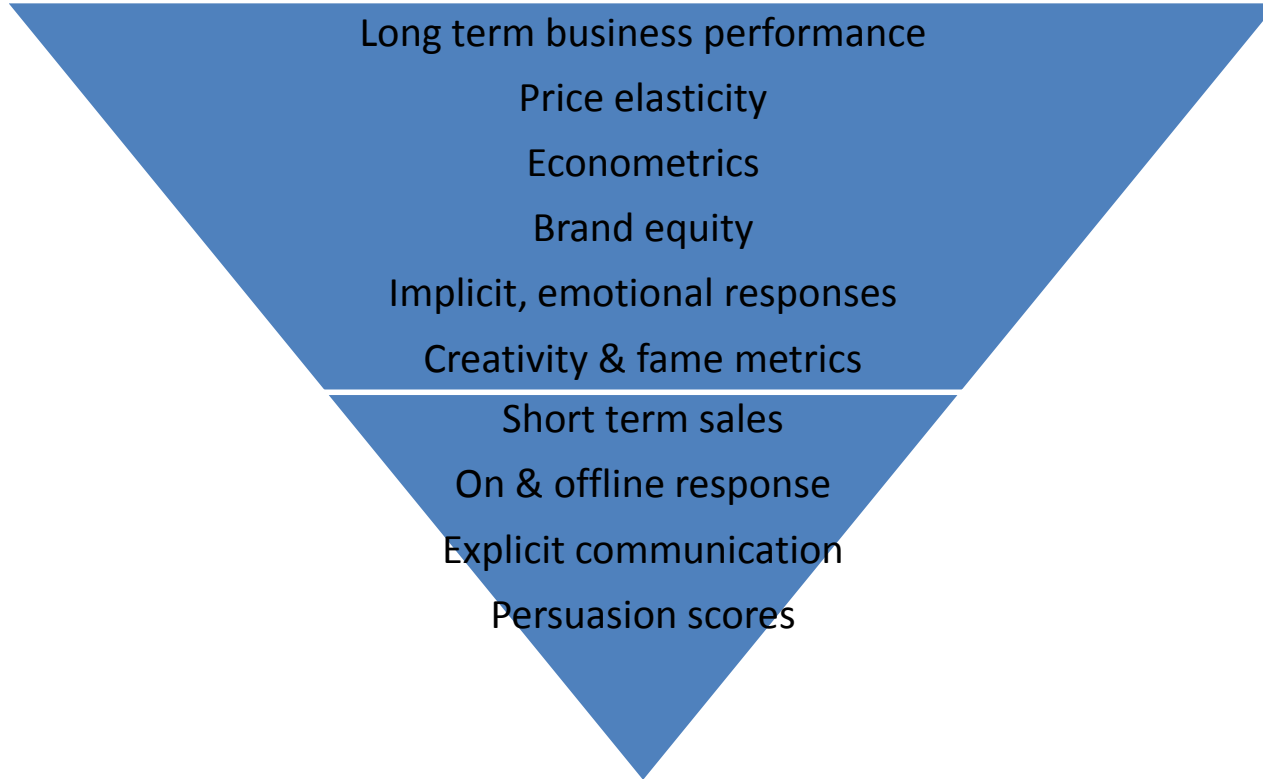
Source: DDB Matrix

The balanced scorecard

Long
term



Short
term



10 Key principles for success

1. Support volume and price
2. Build sales and saleability
3. Talk to all your prospects
4. Balance head and heart
5. Aim for fame
6. Creativity increases efficiency
7. Share of voice matters more than ever
8. Integrate brand and activation
9. Balance brand and activation SOV
10. Measure short and long-term effects