
EFFECTIVENESS IN/CONTEXT

A MANUAL FOR **BRAND-BUILDING**

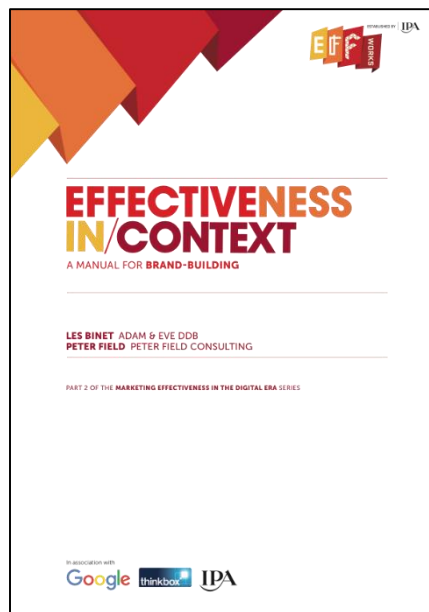
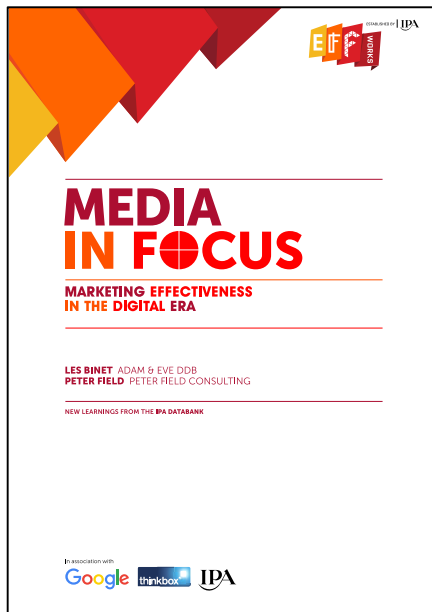
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Previous research and this

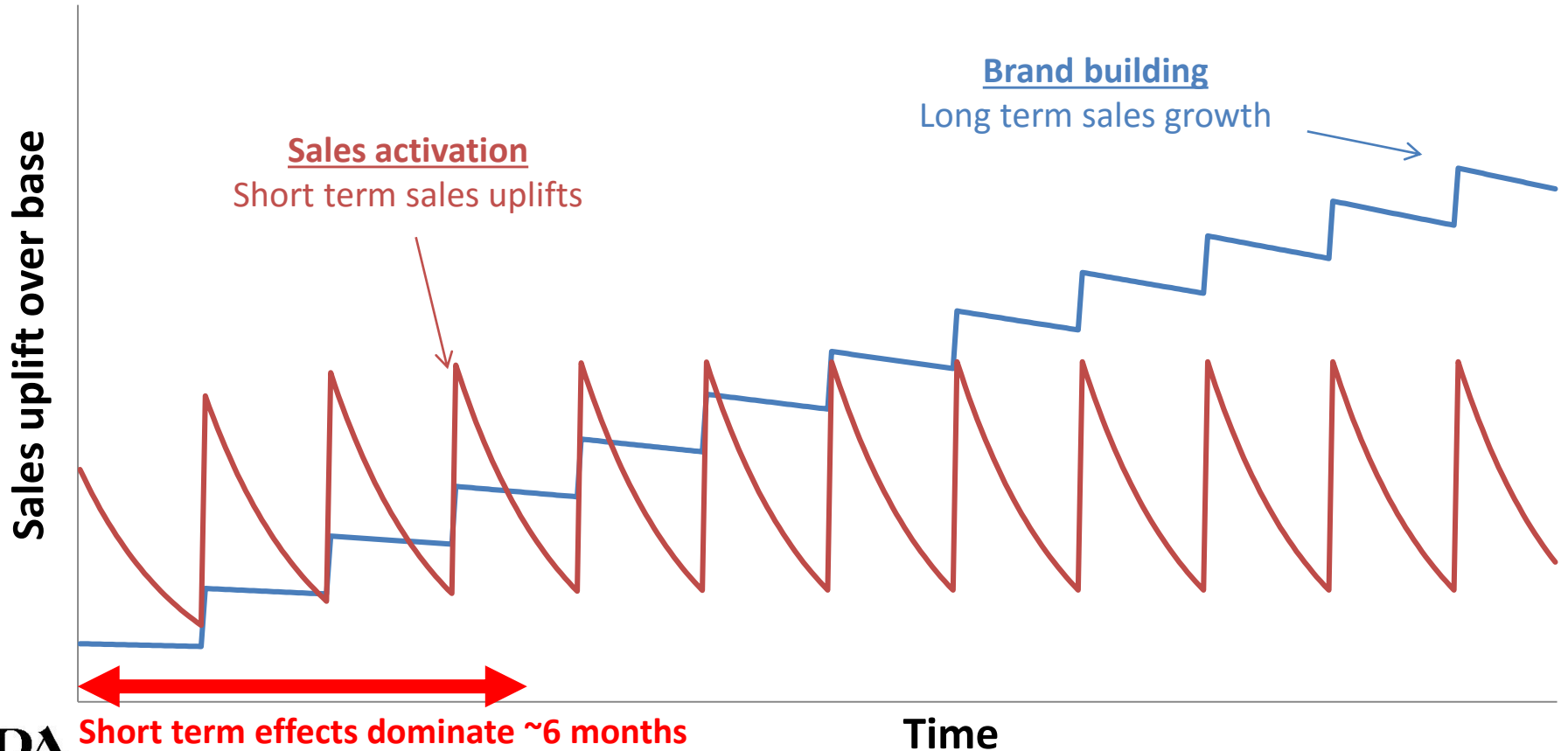


How does the context the brand operates in influence strategy?

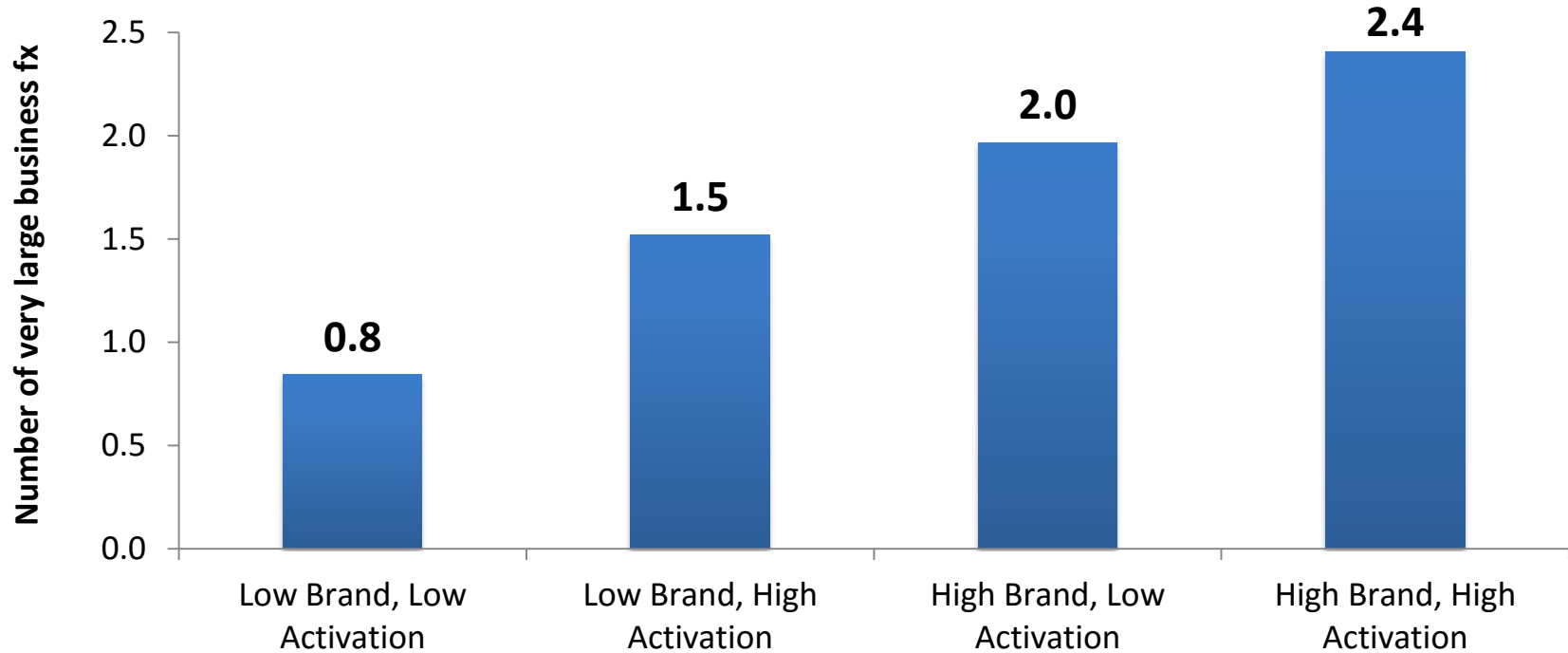
500 digital era for-profit cases

120 not-for-profit cases

Two ways marketing works



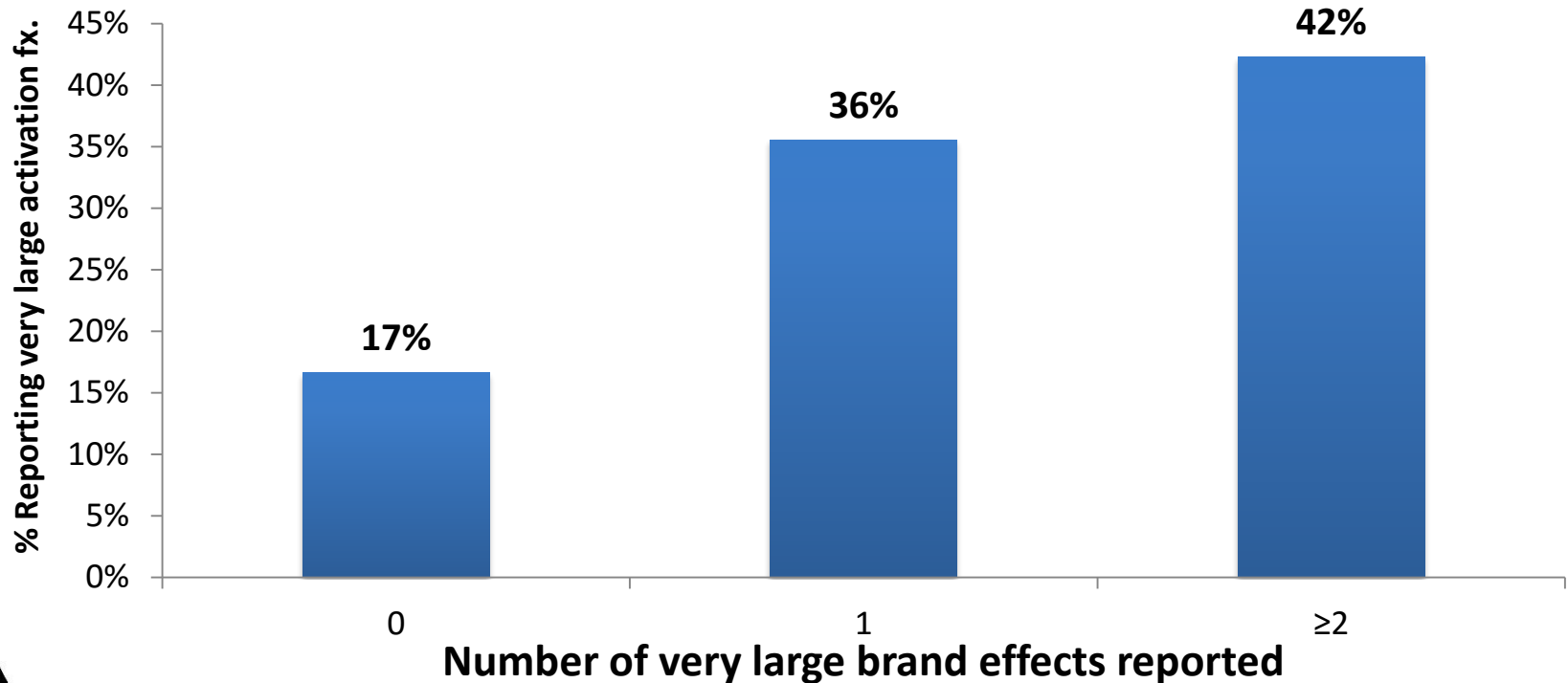
Brand and activation work in synergy



Balance of brand and activation effects

Source: IPA Databank, 1998-2016 for-profit cases, based on scale of activation effects and number of brand effects

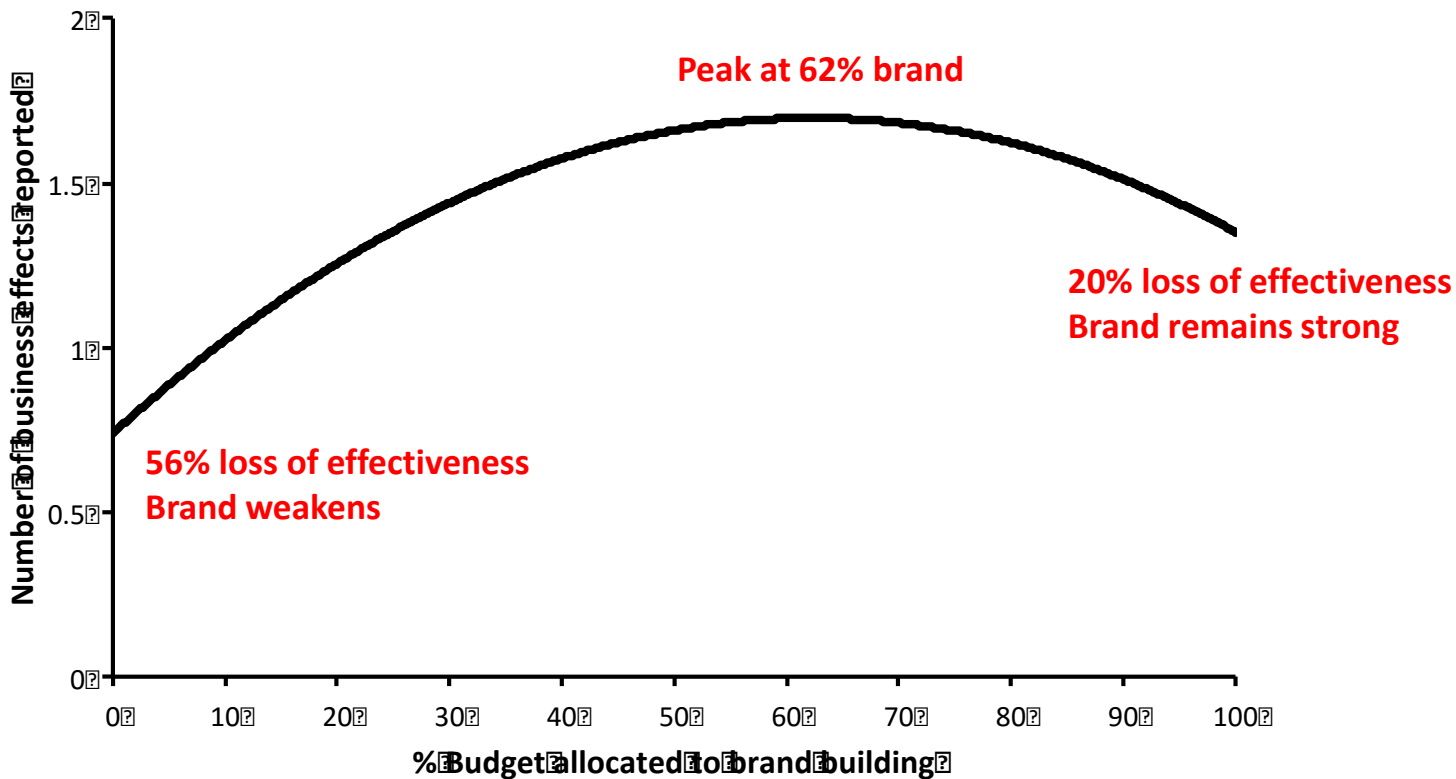
Brand building boosts short-term effects



Source: IPA Databank, 1998-2016 for-profit cases

The principles of balance

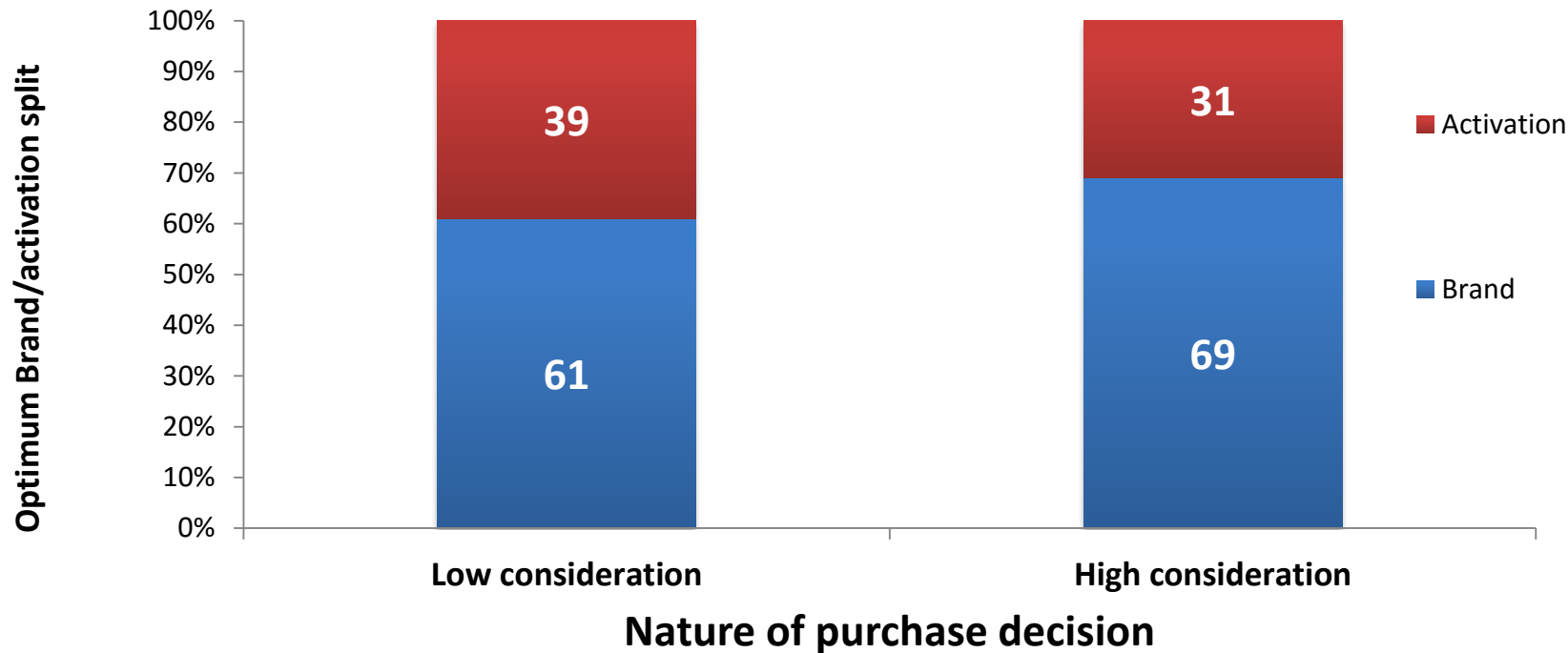
Brand-Activation balance matters



Source: IPA Databank, 1998-2016 for-profit cases

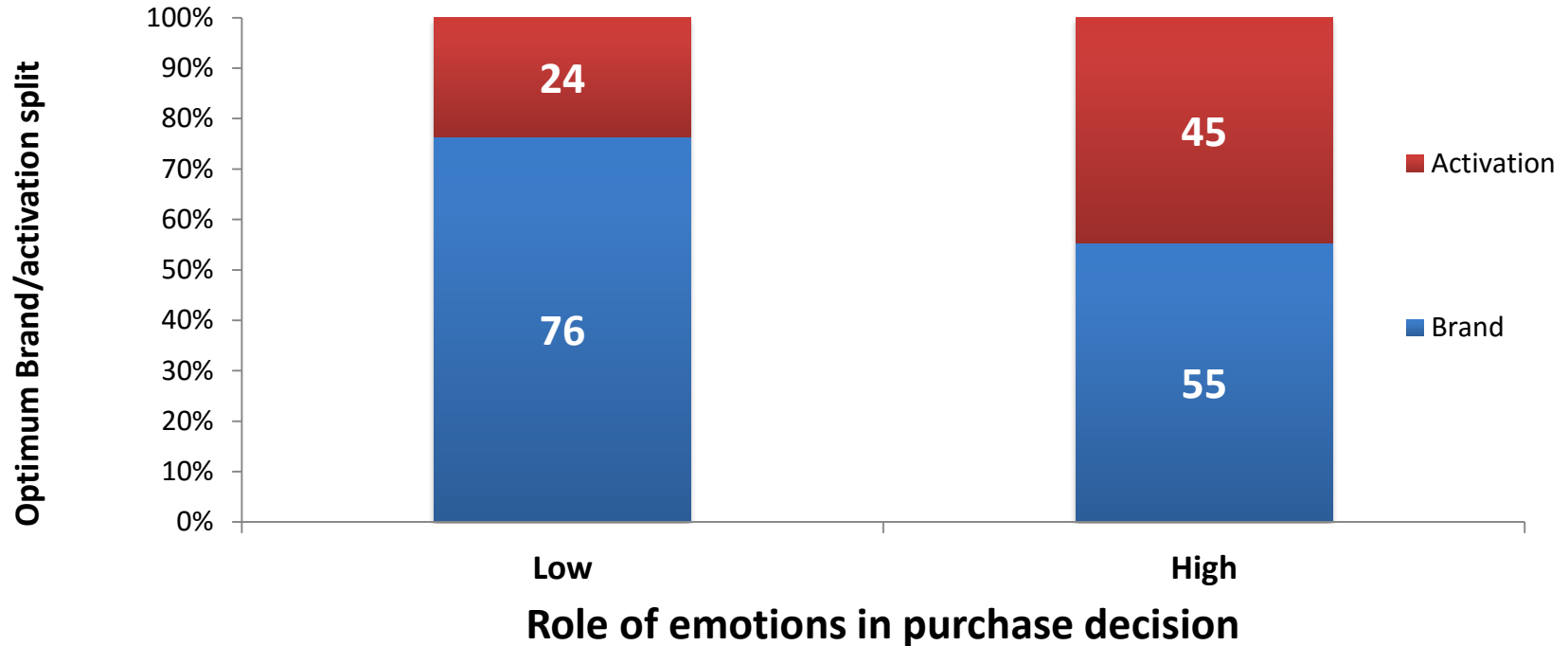


When activation is easy, up-weight brand



Source: IPA Databank, 1998-2016 for-profit cases

When brand building is easy, up-weight activation

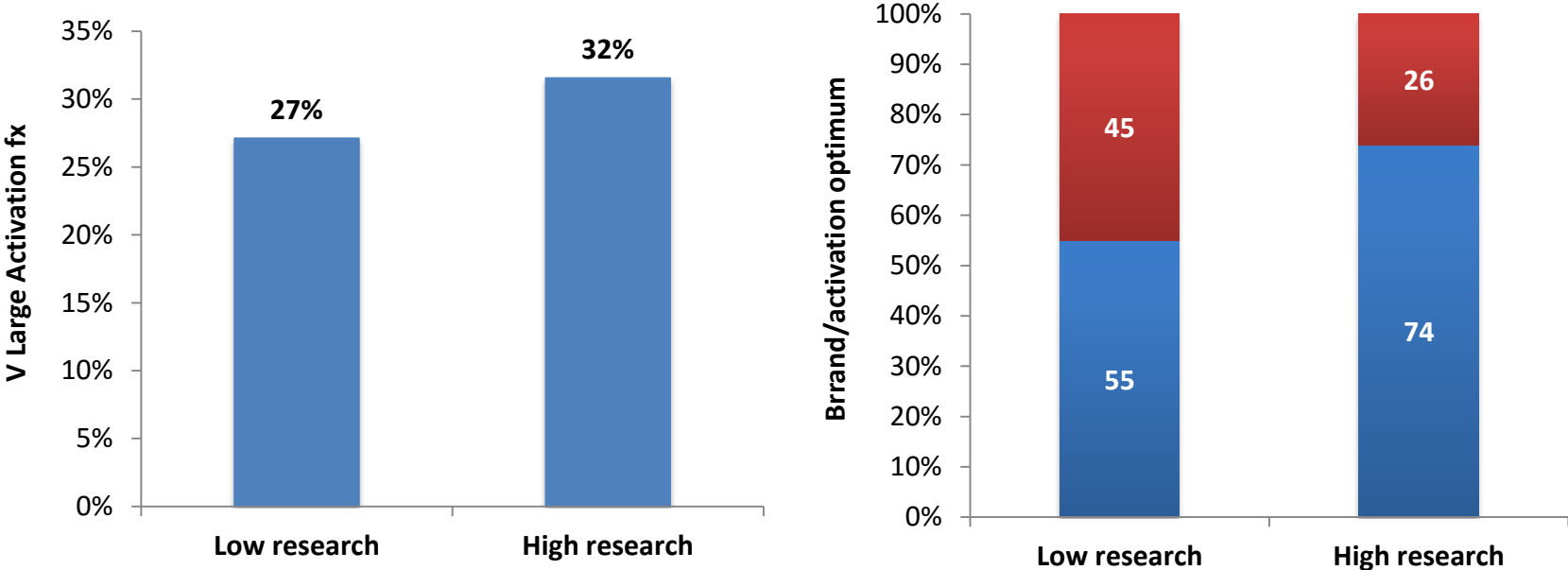


Source: IPA Databank, 1998-2016 for-profit cases

Flexing the rules by context

Factors that modify the rules

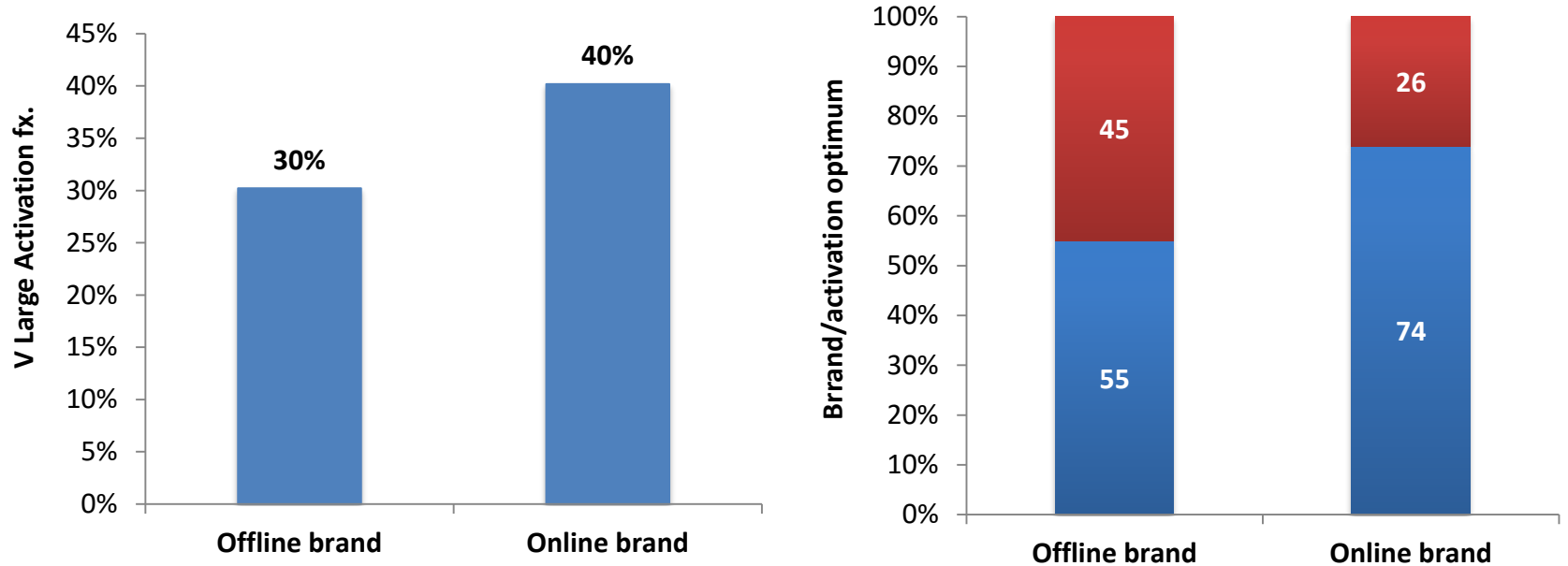
Online research makes activation easier



Source: IPA Databank, 1998-2016 for-profit cases

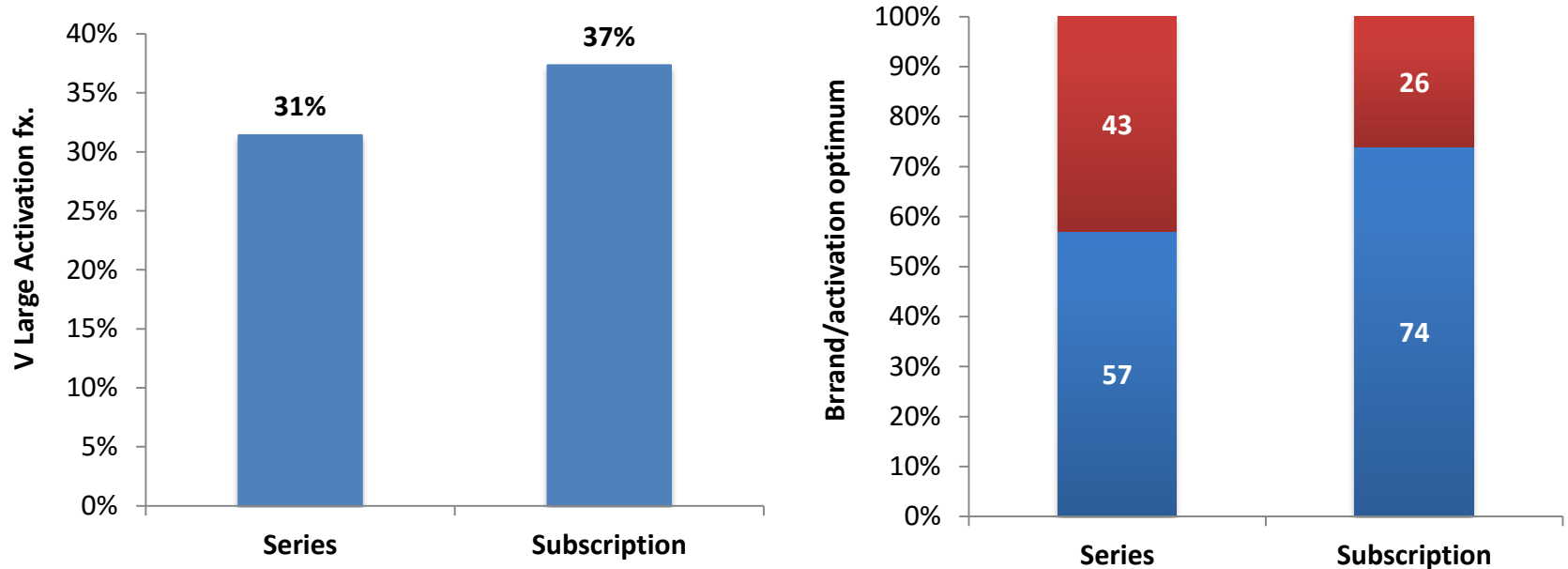


Online selling makes activation easier



Source: IPA Databank, 1998-2016 for-profit cases

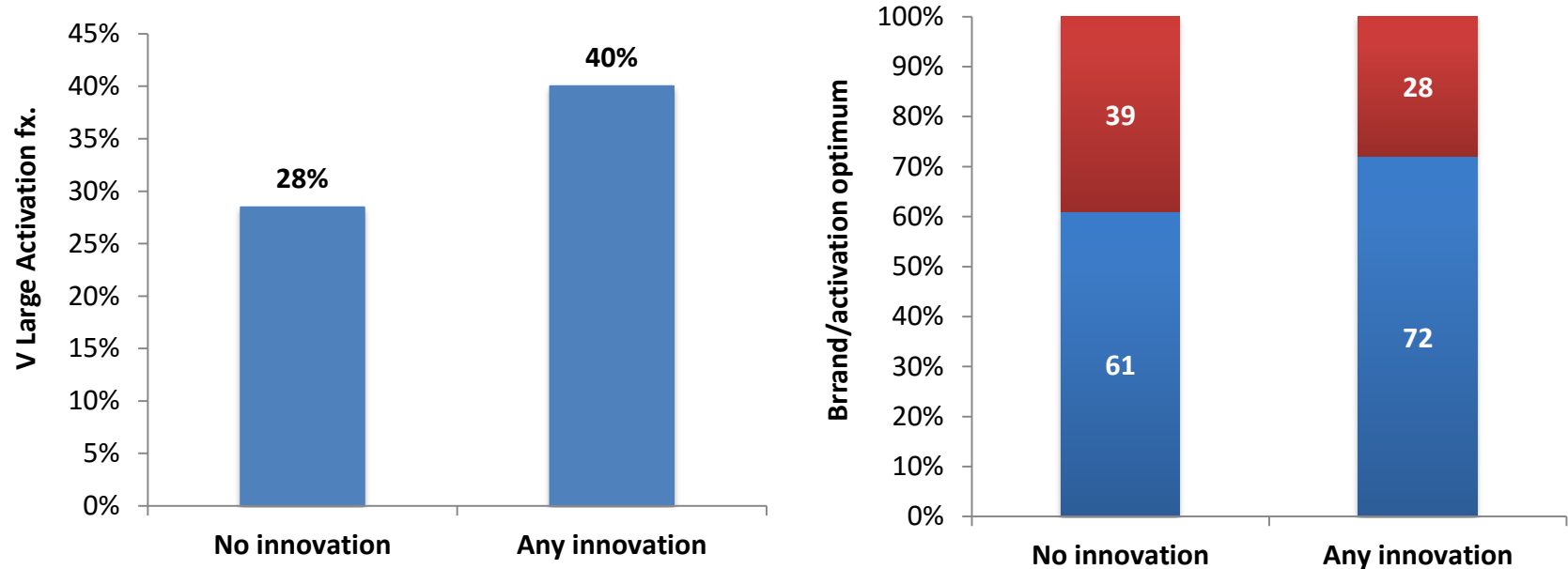
Subscription makes activation easier



Source: IPA Databank, 1998-2016 for-profit cases

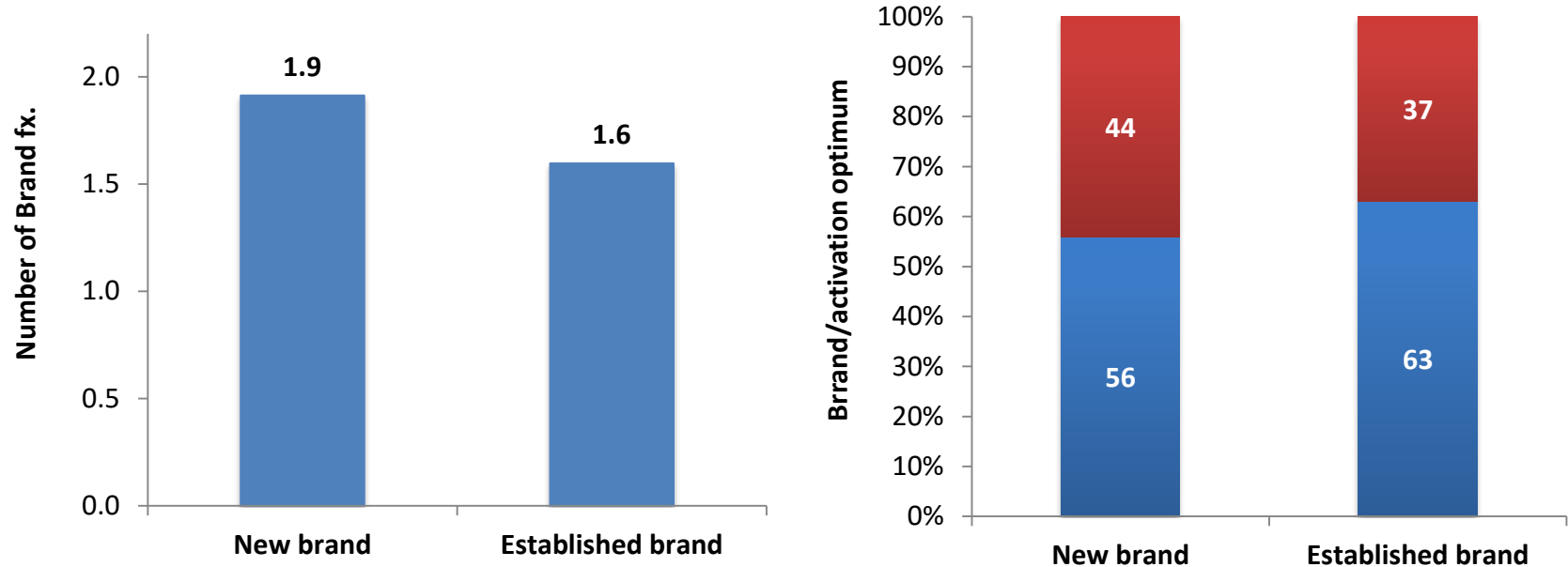


Innovation makes activation easier



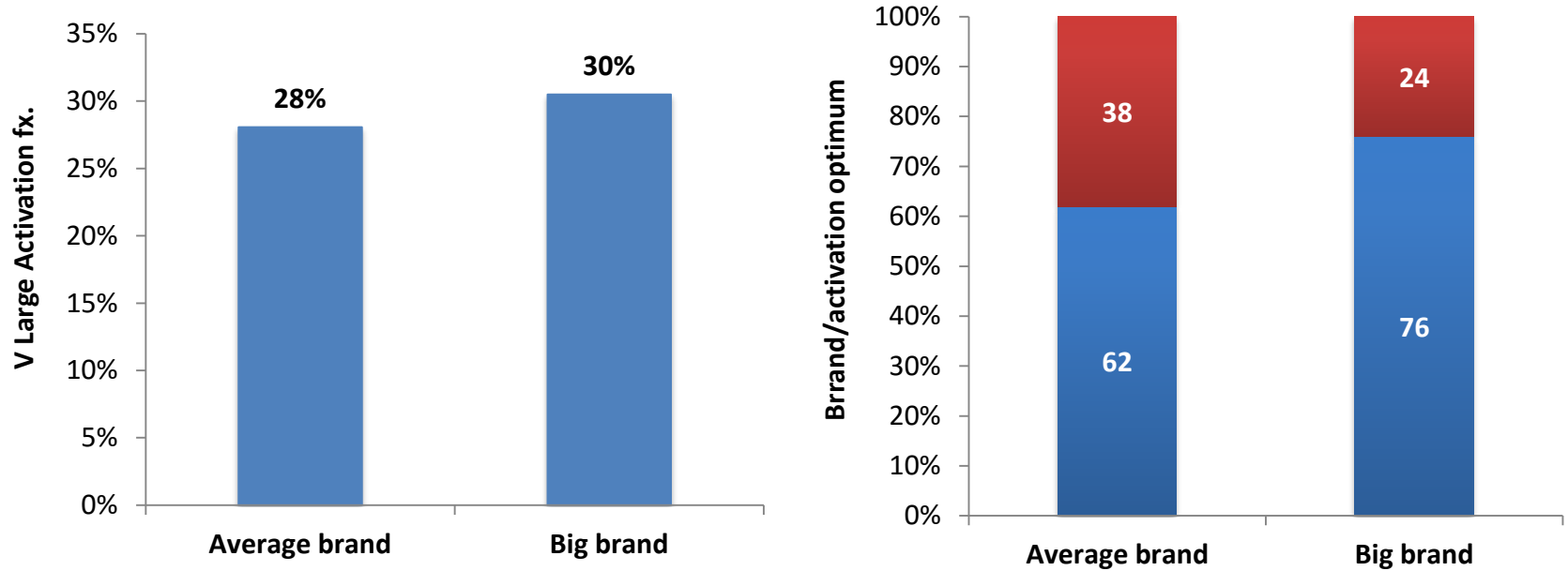
Source: IPA Databank, 1998-2016 for-profit cases

Brand effects are biggest for new brands



Source: IPA Databank, 1998-2016 for-profit cases

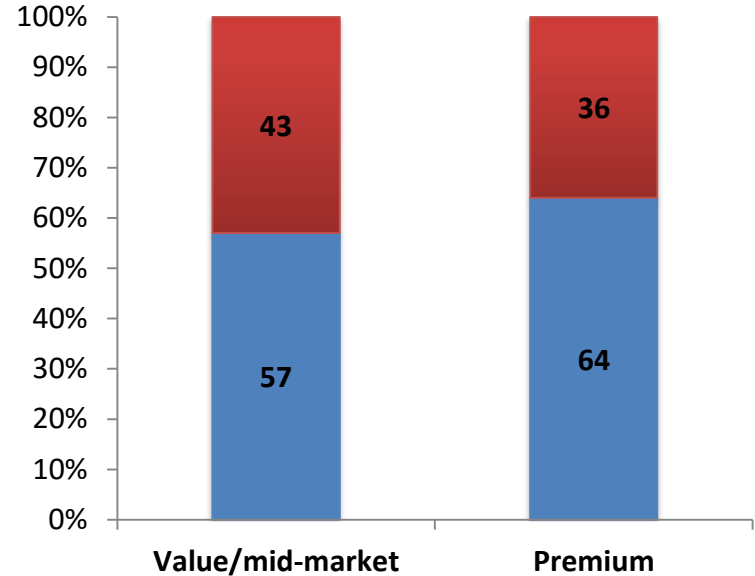
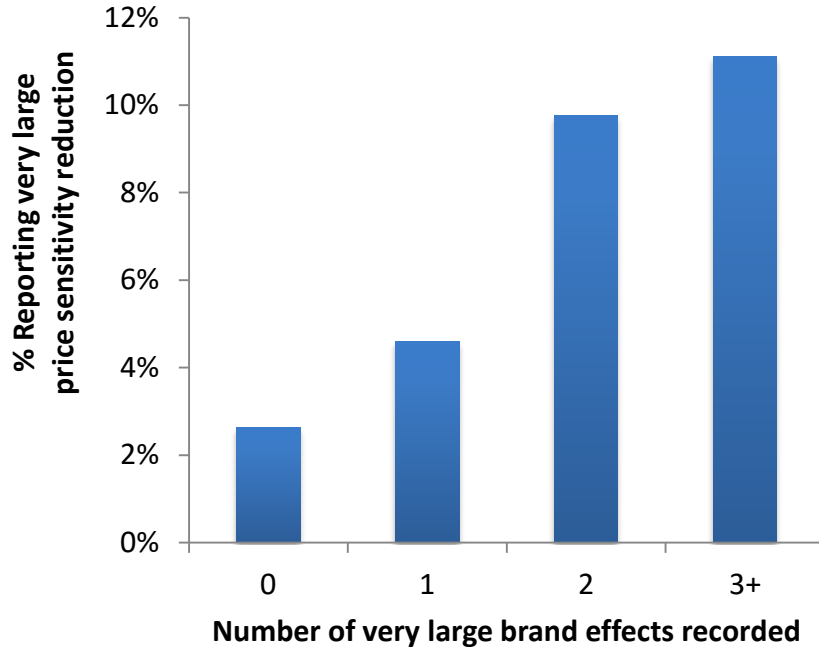
Activation gets easier as brands grow



Source: IPA Databank, 1998-2016 for-profit cases
Big brands = Top 33% by market share



Brand is the key to premium pricing

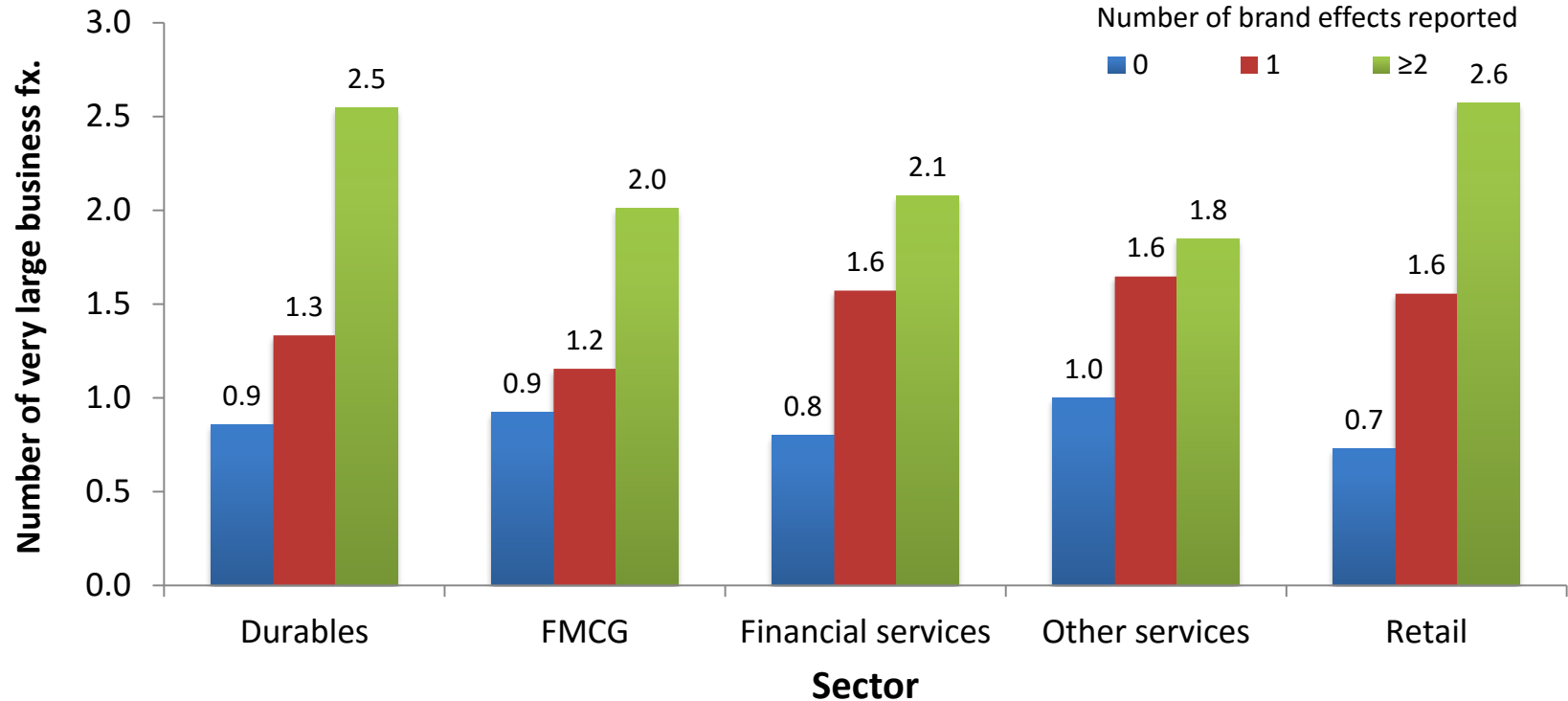


Source: IPA Databank, 1998-2016 for-profit cases



How does this affect sectors?

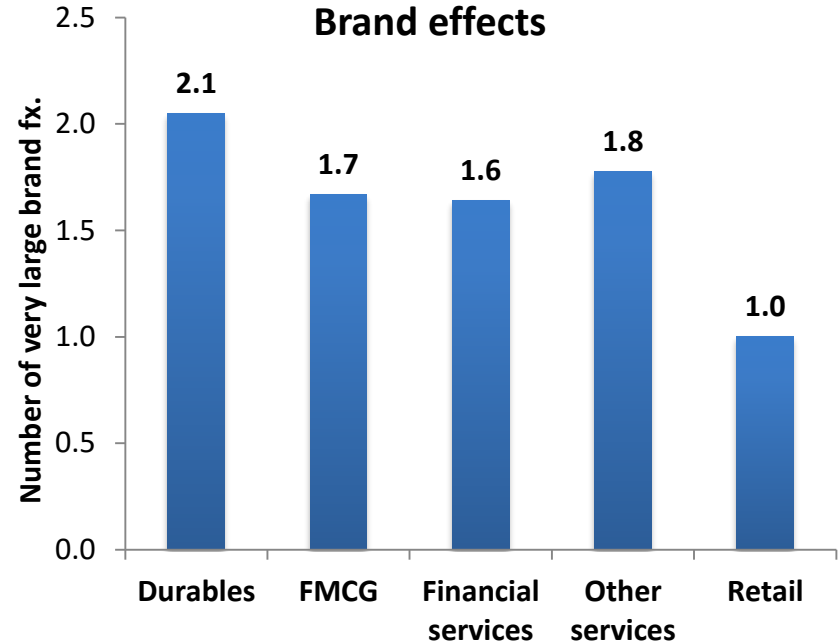
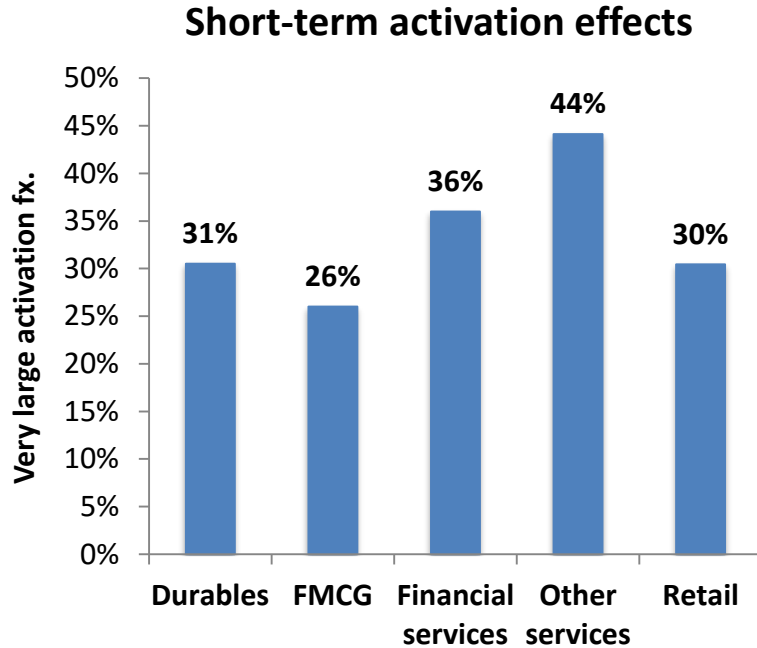
Brand building always drives long-term effectiveness



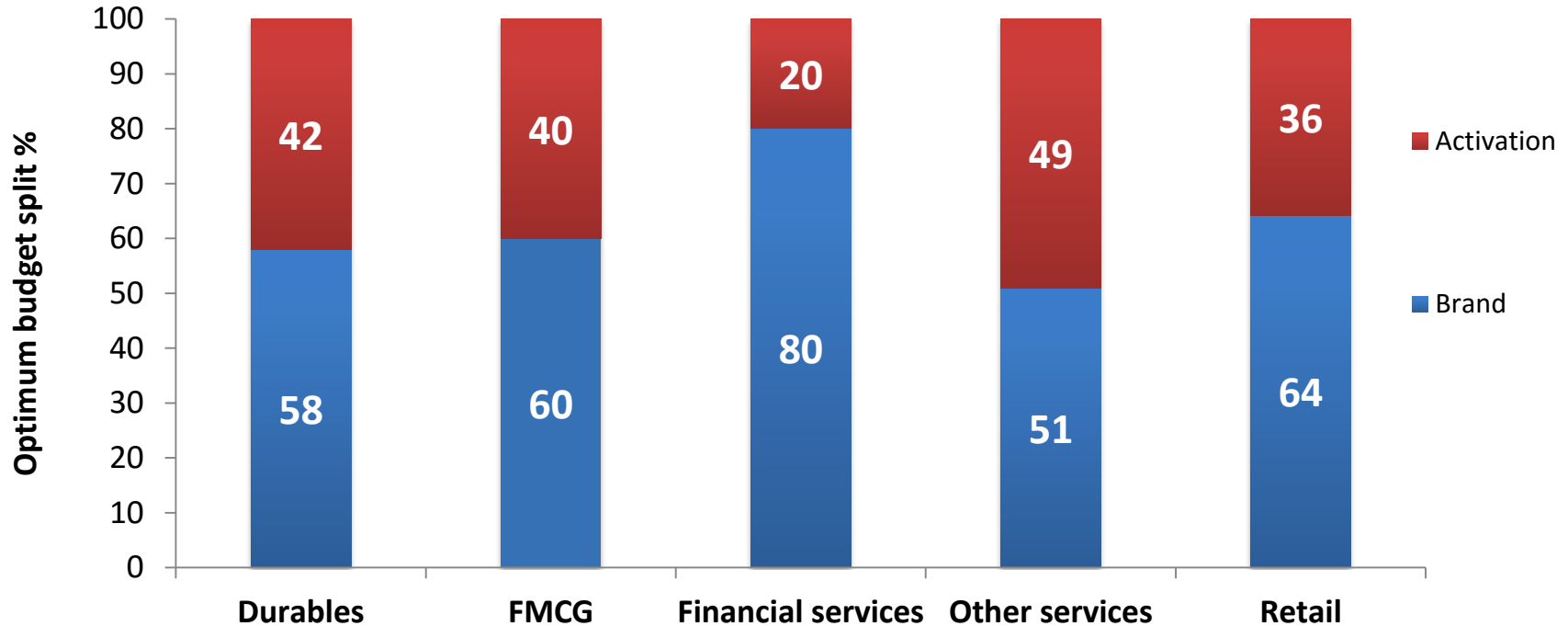
Source: IPA Databank, 1998-2016 for-profit cases



Brand & Activation potential vary widely



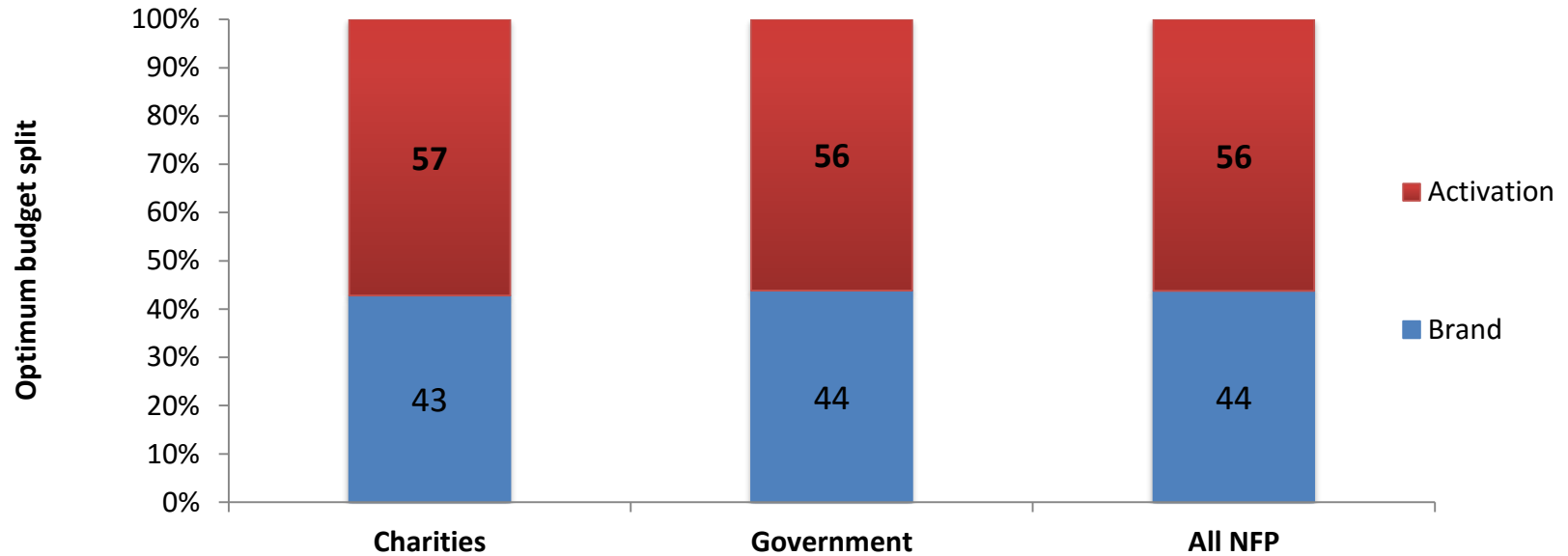
Up-weight brand in Financial Services, down-weight brand in Other Services



Source: IPA Databank, 1998-2016 for-profit cases



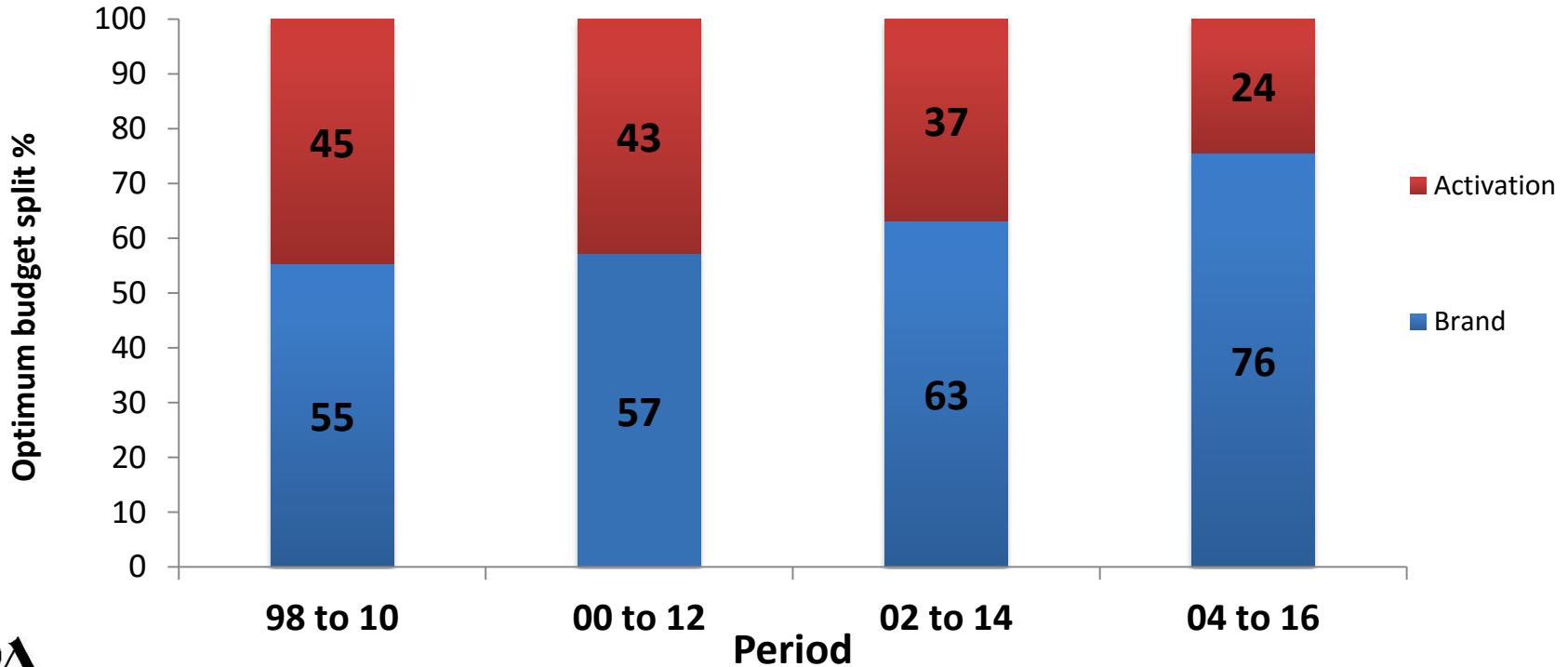
What about the NFP sector?



Source: IPA Databank, 2012-2016 not-for-profit cases



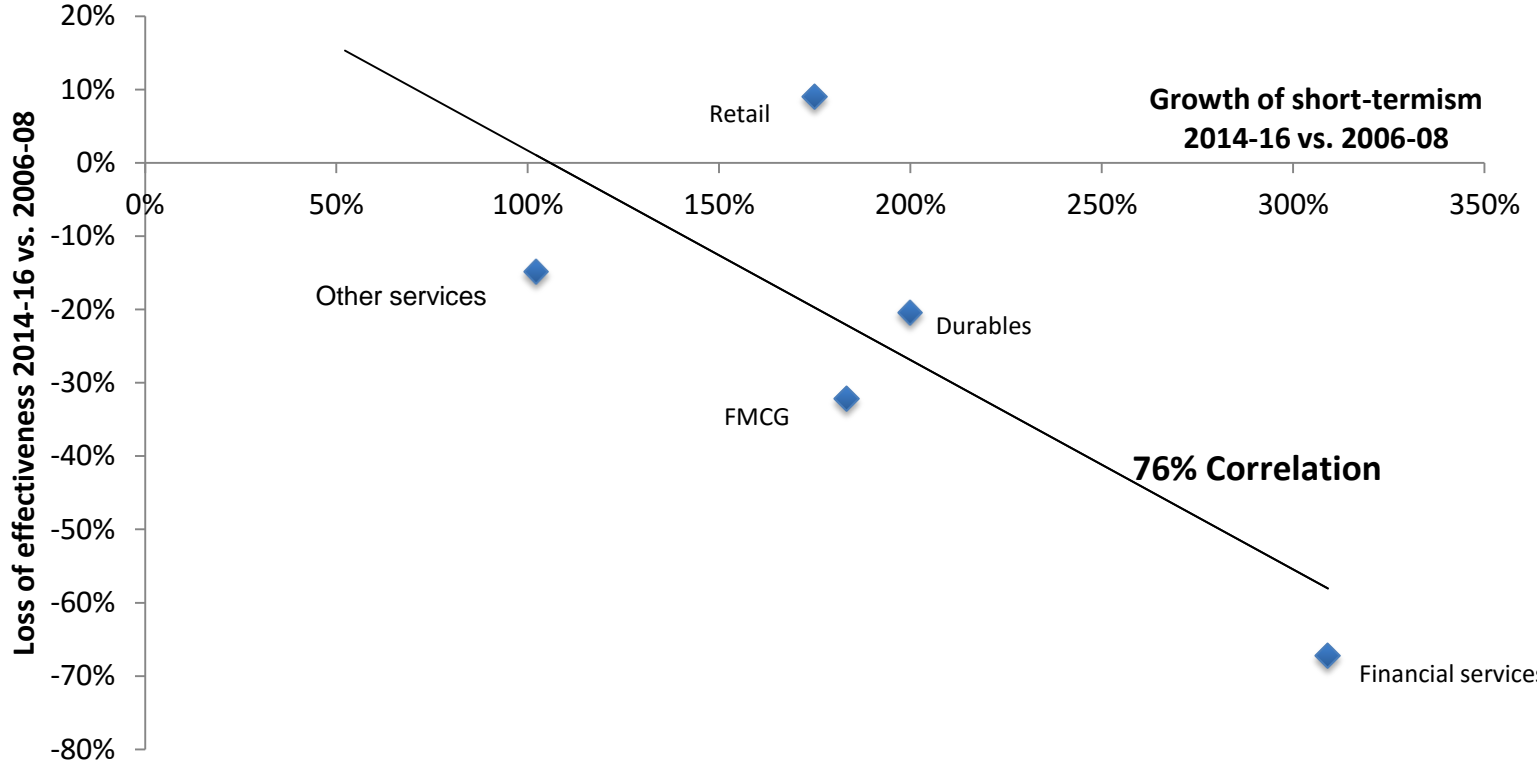
Brand building is becoming more important, not less



Source: IPA Databank, 1998-2016 for-profit cases



The activation tide varies across sectors



Source: IPA Databank, 2006-2016 for-profit cases



Reversing the activation tide

Case study: AA Roadside Assistance

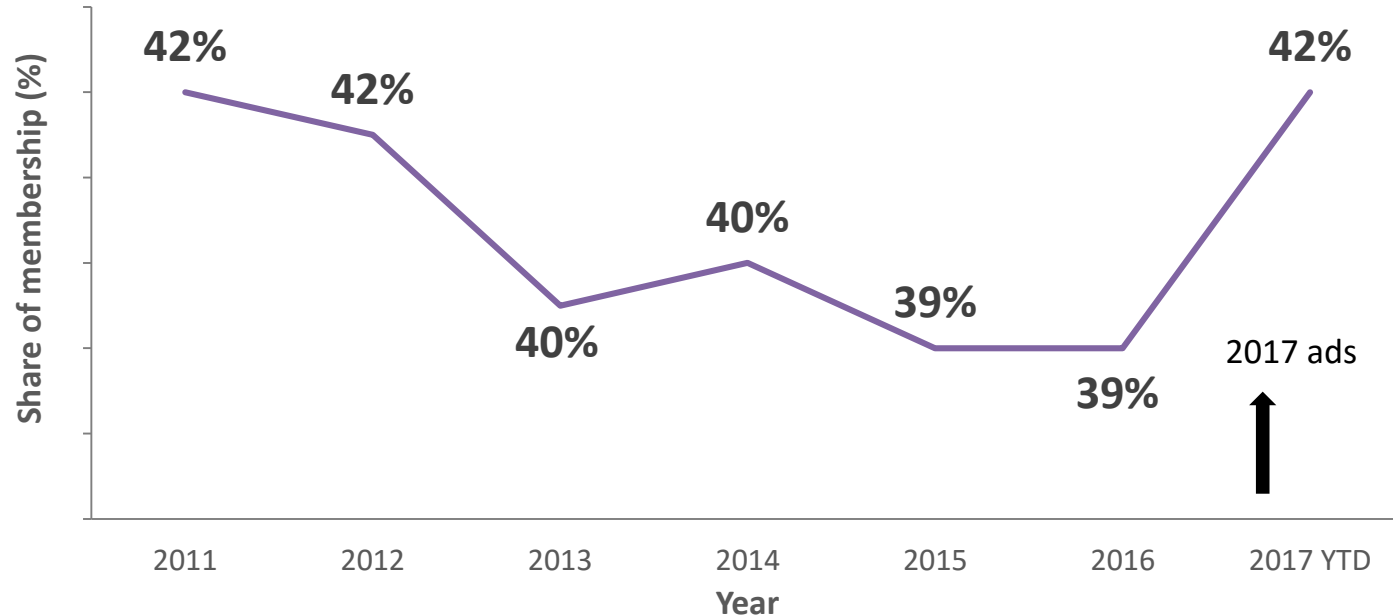
- Brand activity cut in favour of “hard working” activation
 - Initial discounts used to entice new members
 - Renewal price hikes used to make up profit
 - Highly profitable in the short term, but...
-
- Brand metrics in free fall
 - Whole category becoming commoditised
 - Angry customers, churn increasing
 - Bigger and bigger discounts required
 - Market share declining
 - Complete collapse predicted in five years

AA “Singing Baby” TVC

AA “Singing Baby” TVC



The decline in market share reversed immediately



Brand metrics improved
Branded searches increased
Acquisition increased
Retention increased
Despite less discounting

Conclusions

- Invest more in brand building where activation is easy
- Invest more in activation where brand building is easy
- Activation is getting easier so brand building is becoming more important: the 60:40 rule is shifting further to brand
- This is making brand-building media more important
- The trend in investment is away from brand: some sectors & contexts are already strongly out of balance
- We urgently need to restore balance: allocate the recommended balance for your brand's context

Thank you

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