

# EFFECTIVENESS IN/CONTEXT

A MANUAL FOR **BRAND-BUILDING**

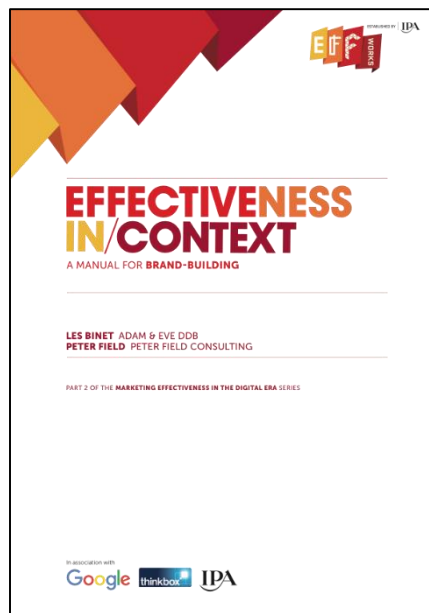
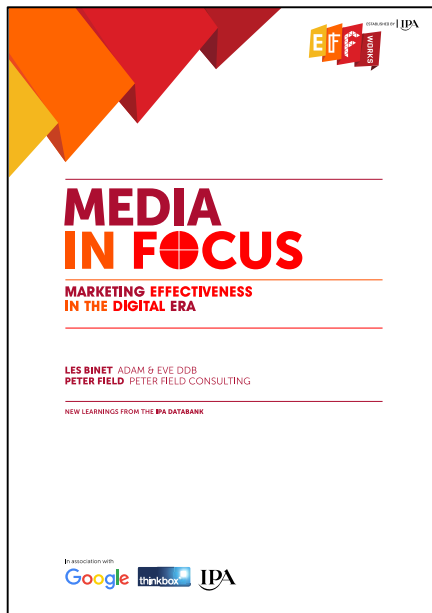
**LES BINET** ADAM & EVE DDB  
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PART 2 OF THE **MARKETING EFFECTIVENESS IN THE DIGITAL ERA** SERIES

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# Previous research and this

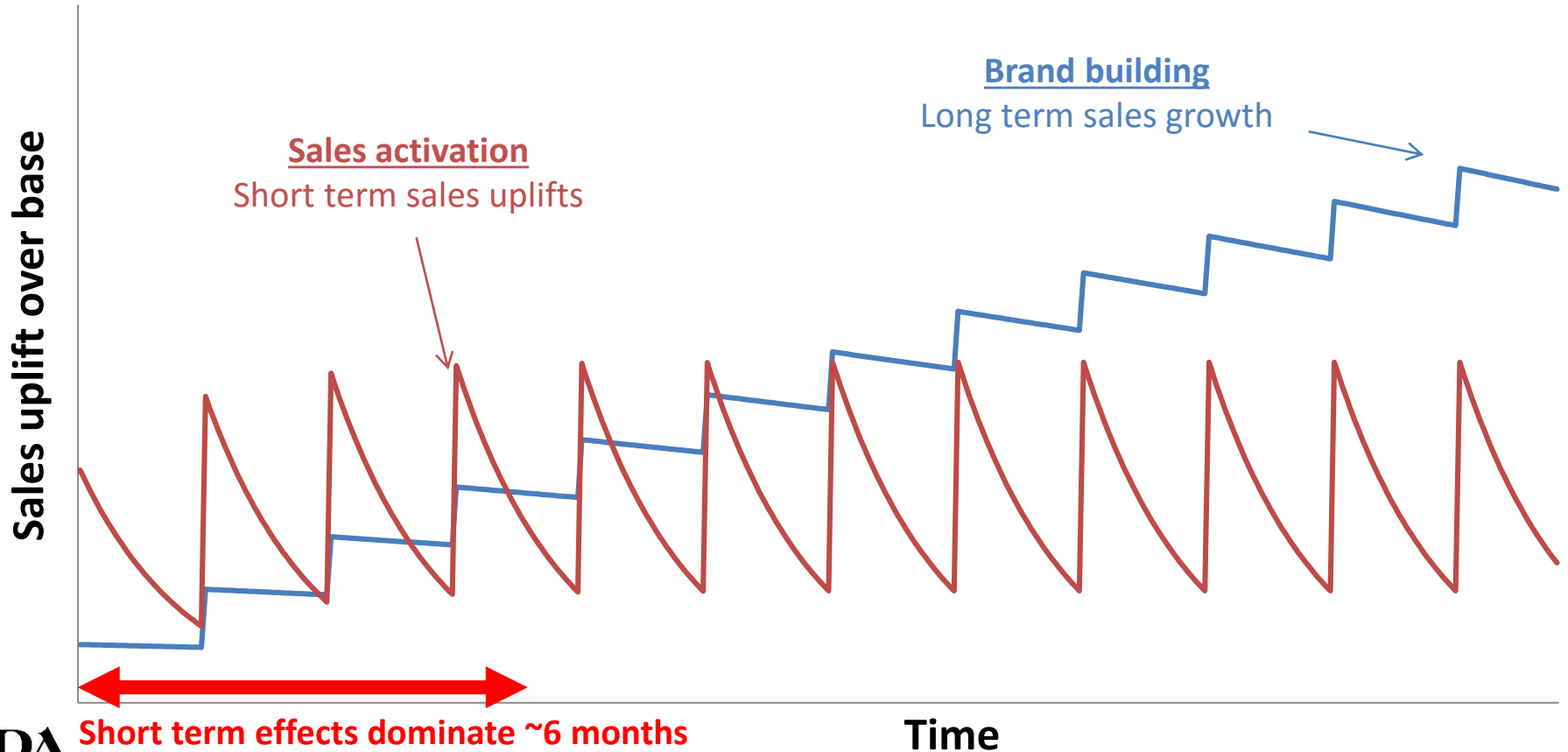


How does the context the brand operates in influence strategy?

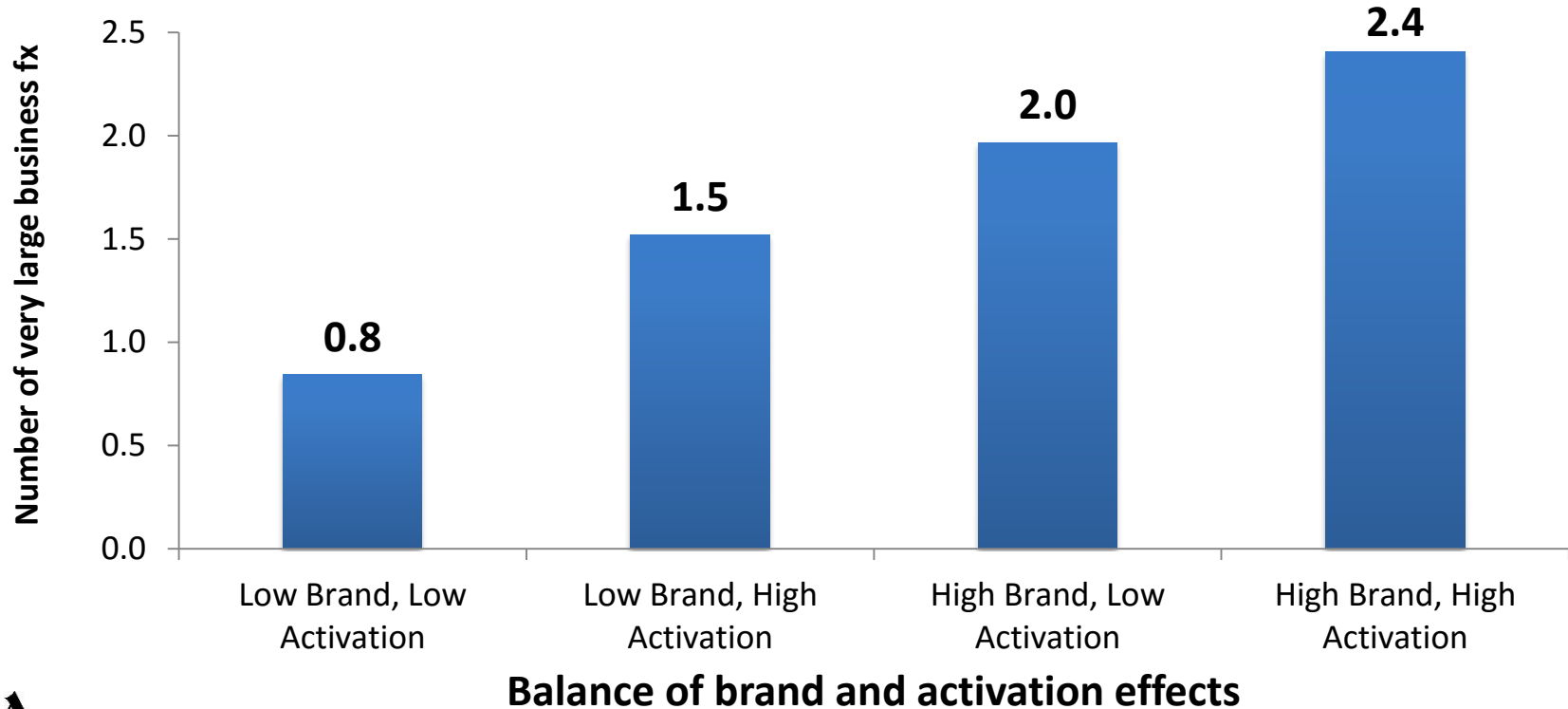
500 digital era for-profit cases

120 not-for-profit cases

# Two ways marketing works

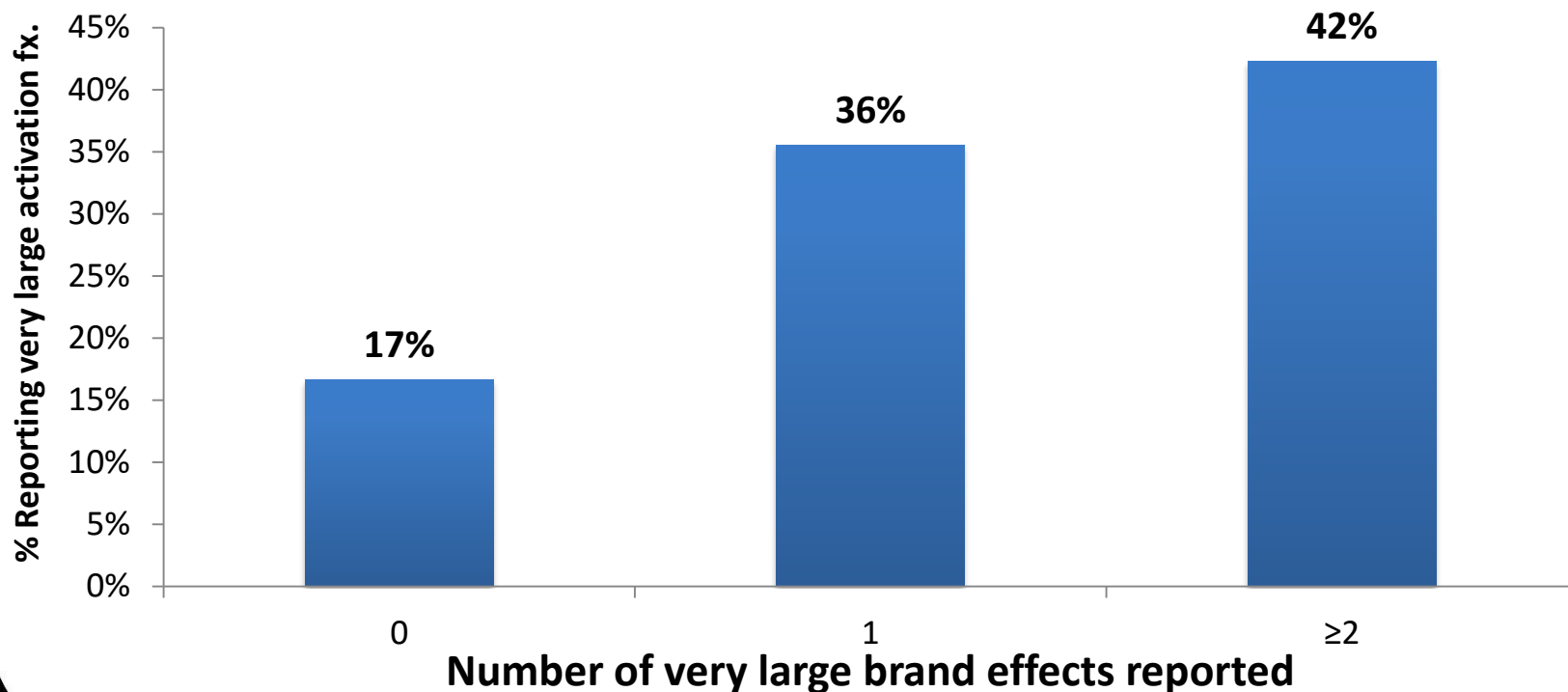


# Brand and activation work in synergy



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

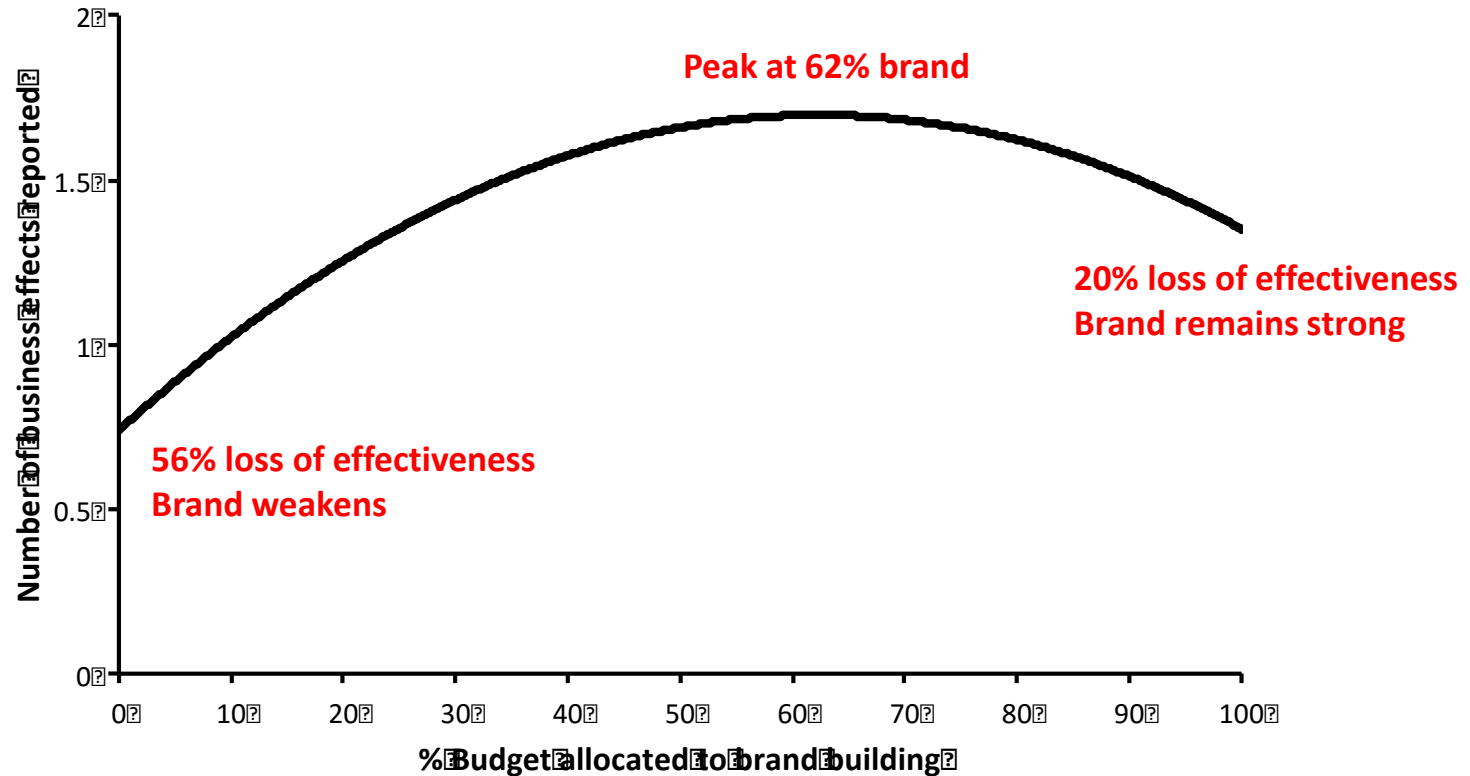
# Brand building boosts short-term effects



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

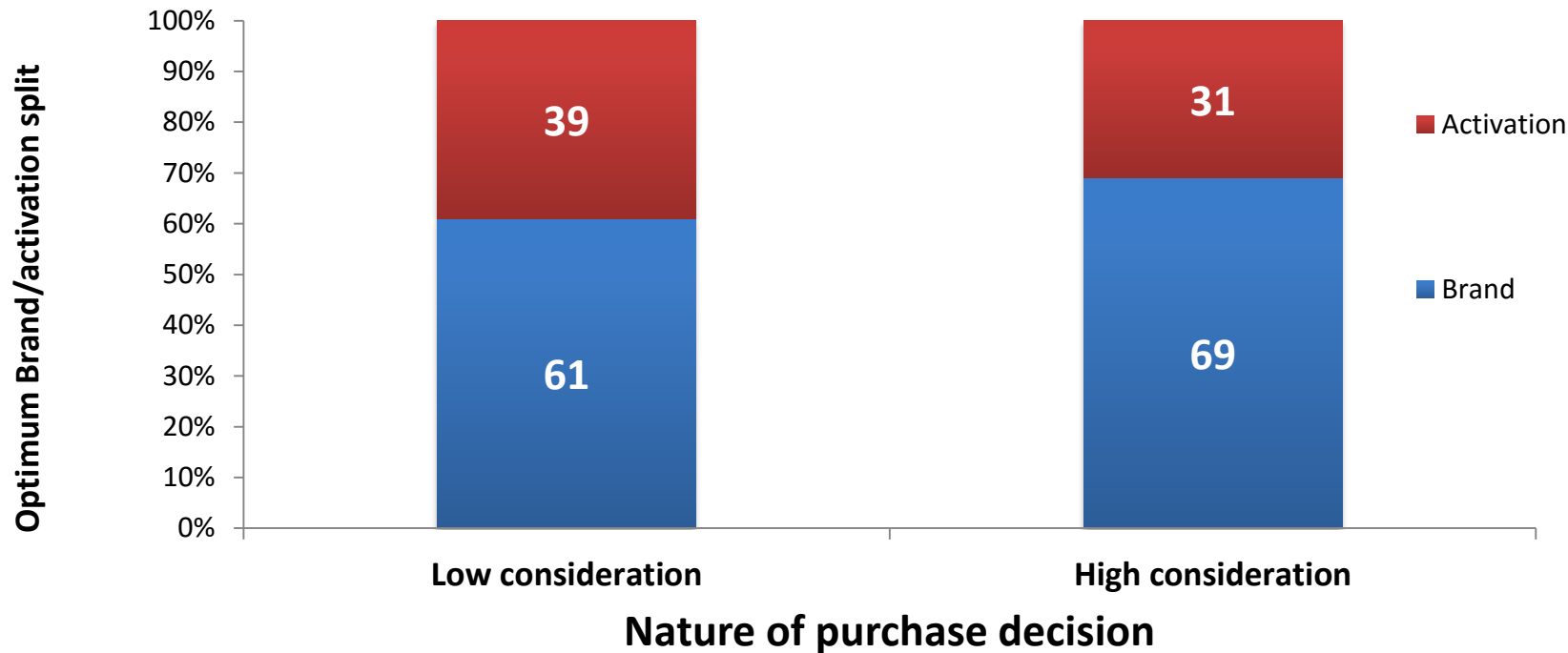
# **The principles of balance**

# Brand-Activation balance matters



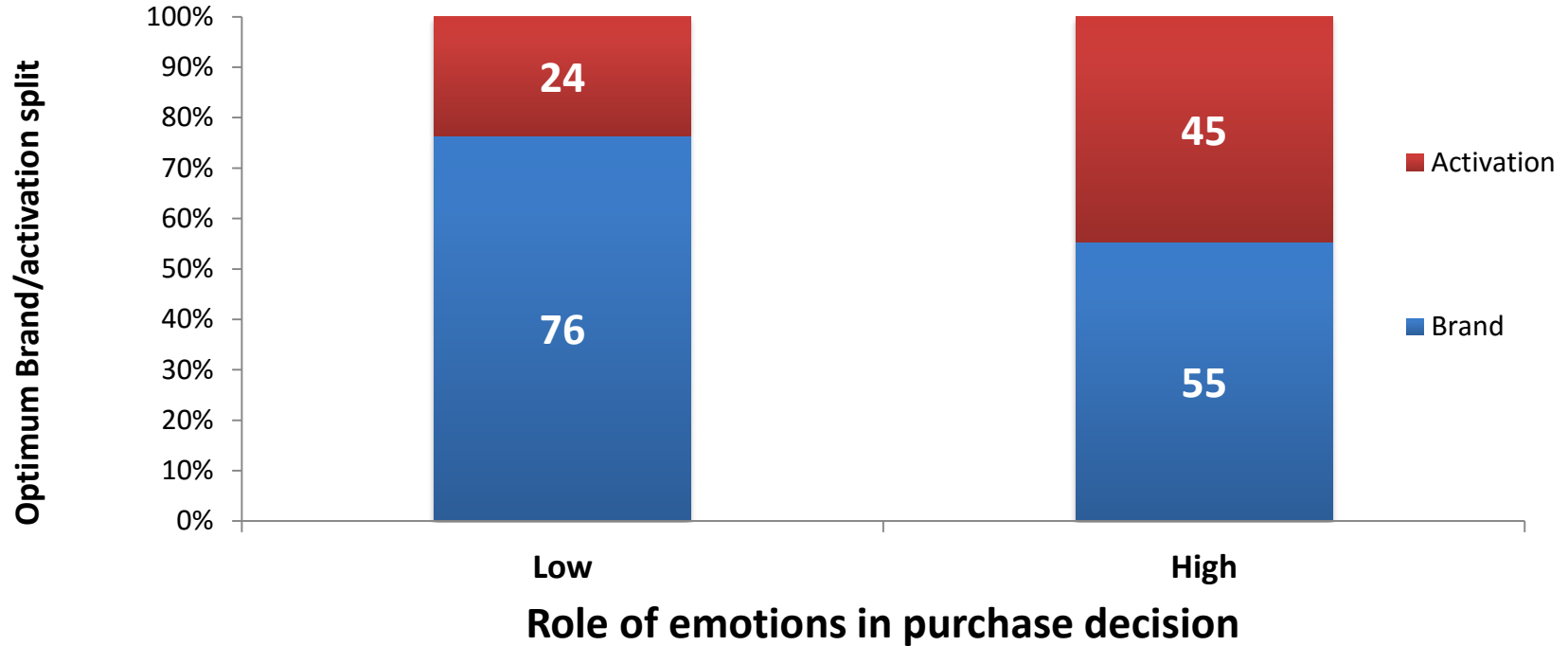
Source: IPA Databank, 1998-2016 for-profit cases

# When activation is easy, up-weight brand





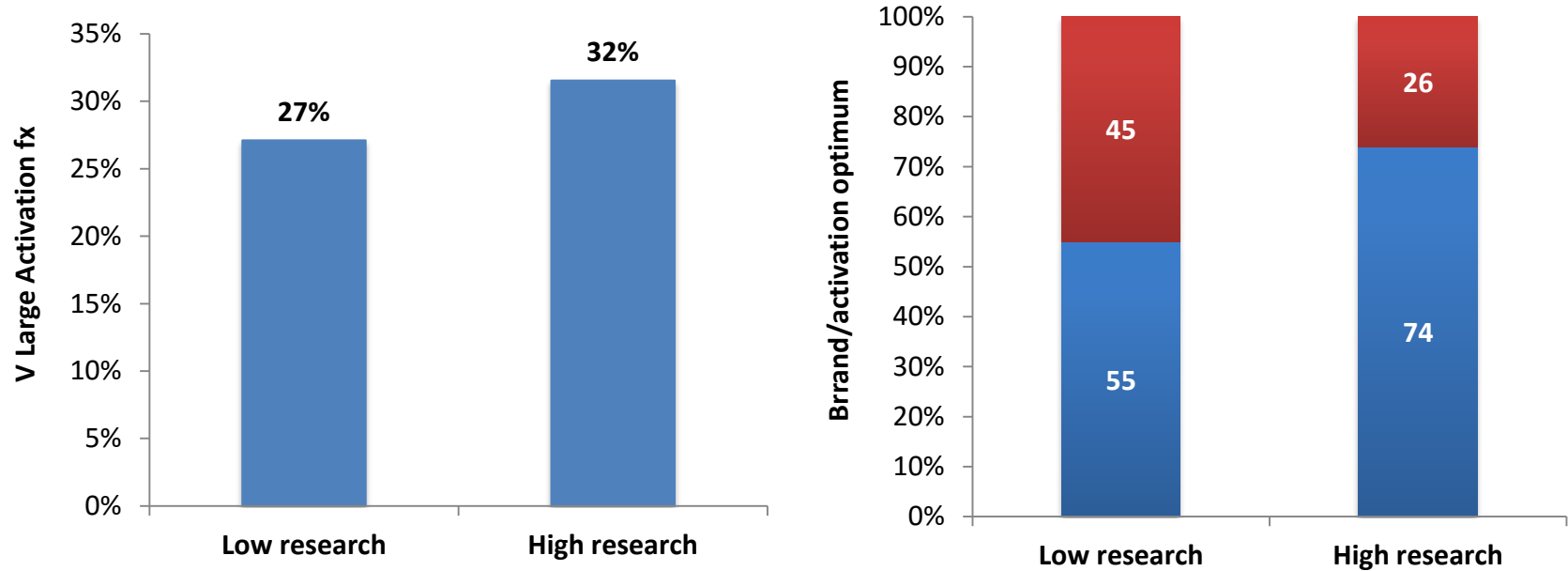
# When brand building is easy, up-weight activation



# **Flexing the rules by context**

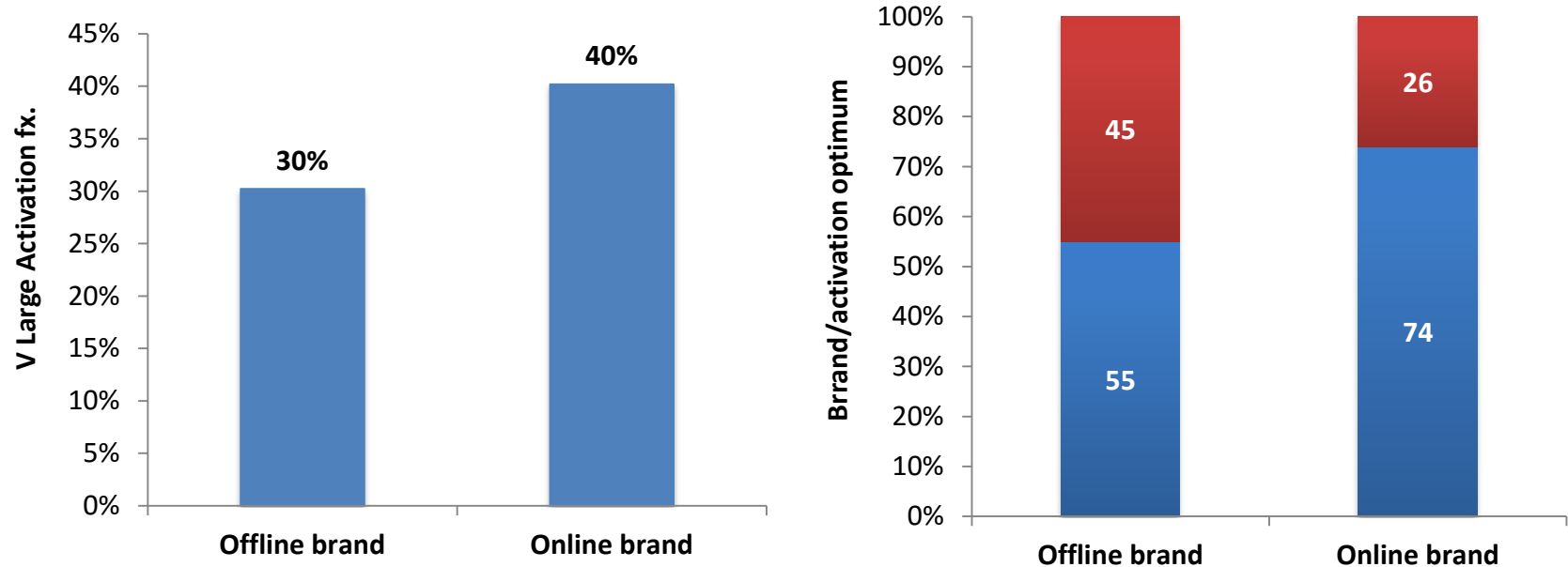
Factors that modify the rules

# Online research makes activation easier



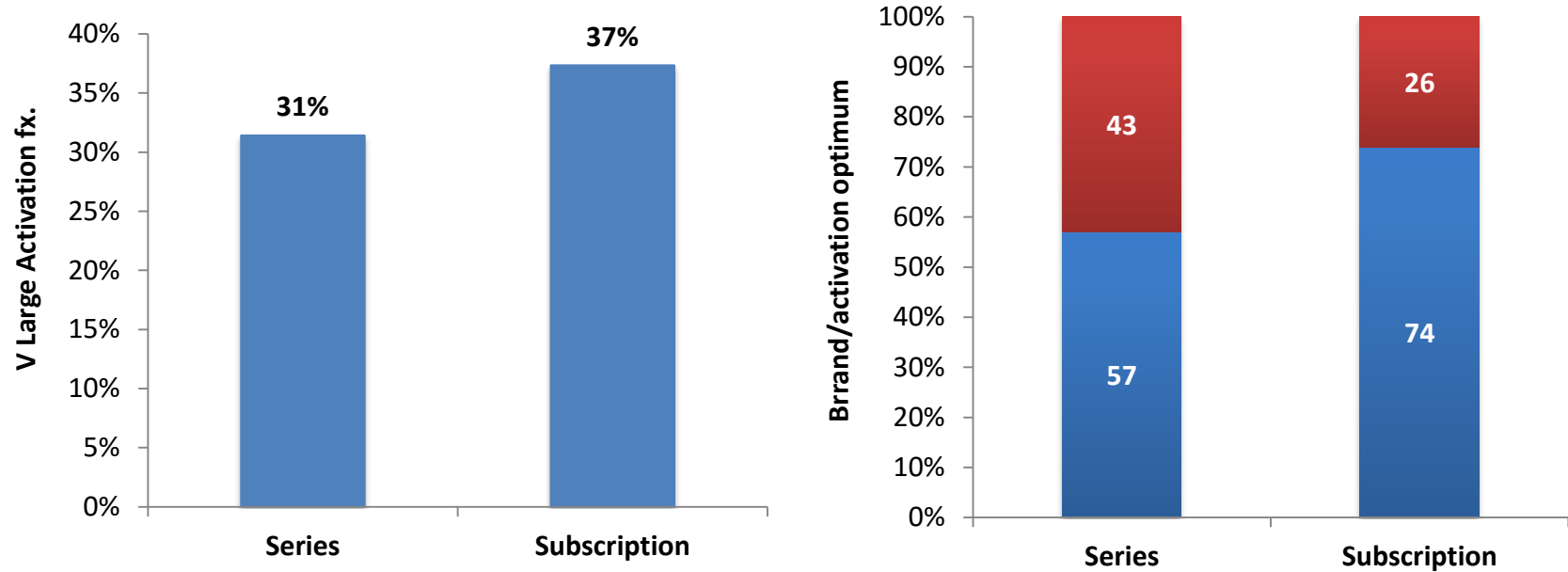
Source: IPA Databank, 1998-2016 for-profit cases

# Online selling makes activation easier



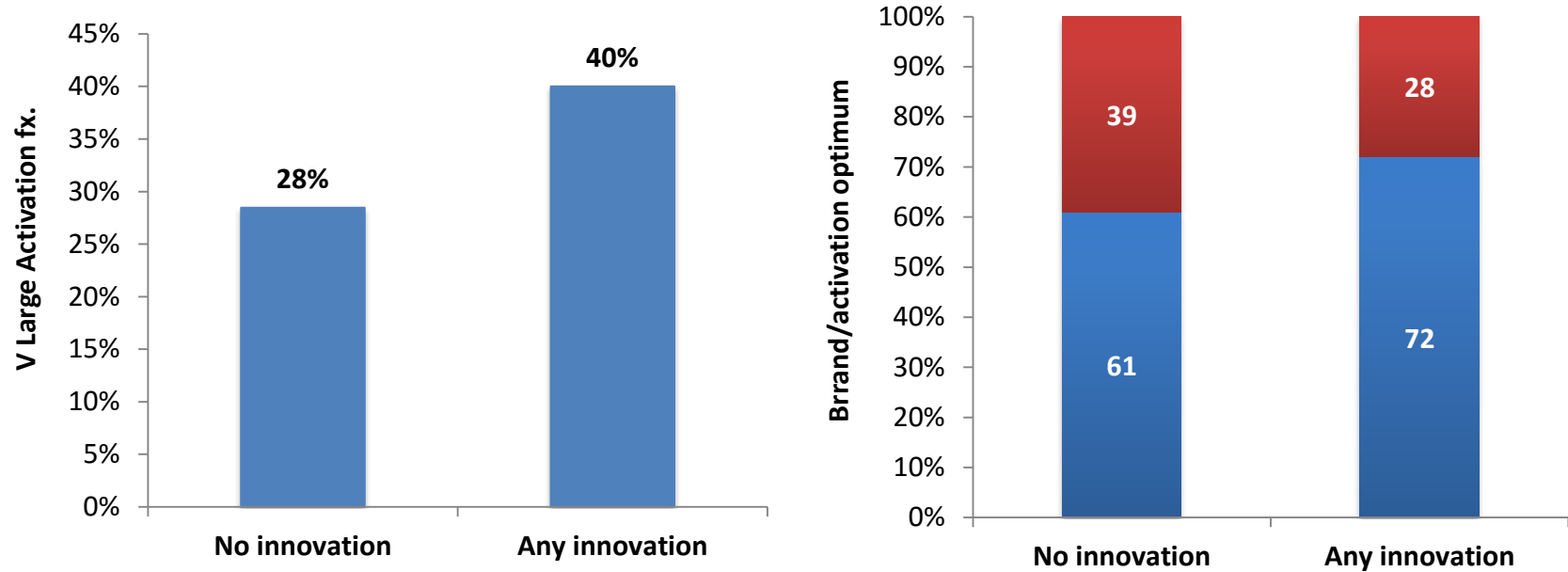
Source: IPA Databank, 1998-2016 for-profit cases

# Subscription makes activation easier



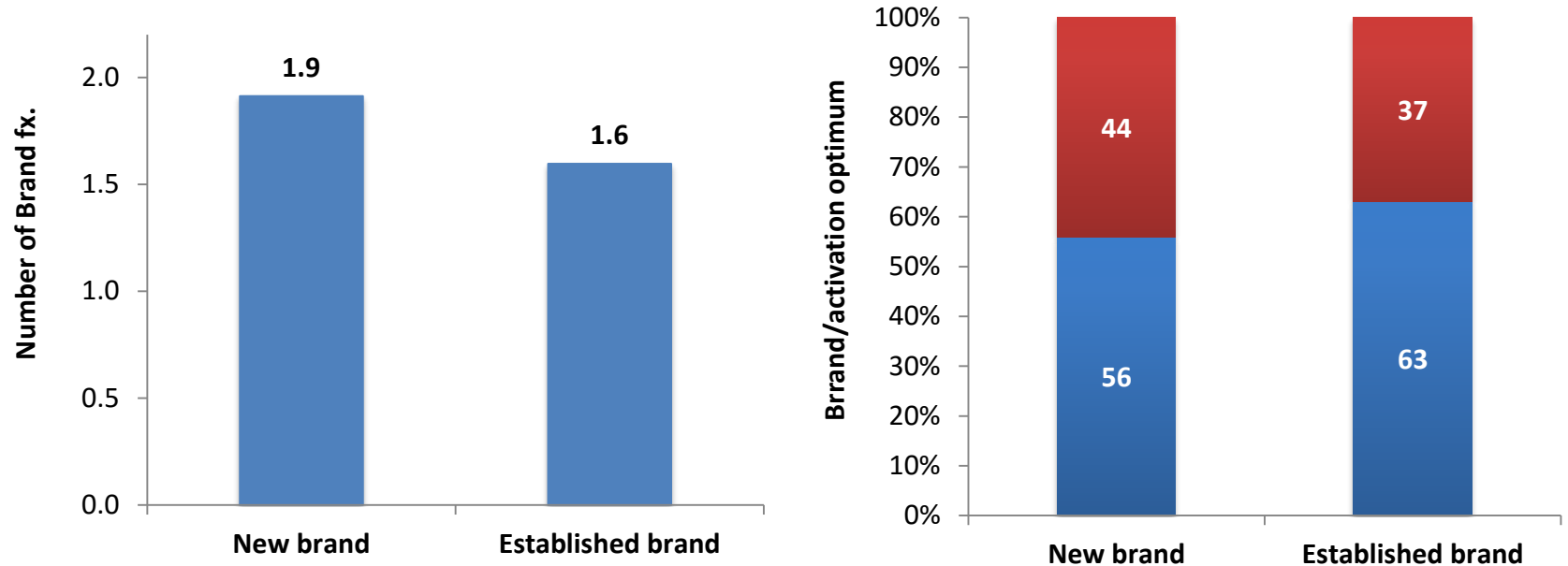
Source: IPA Databank, 1998-2016 for-profit cases

# Innovation makes activation easier



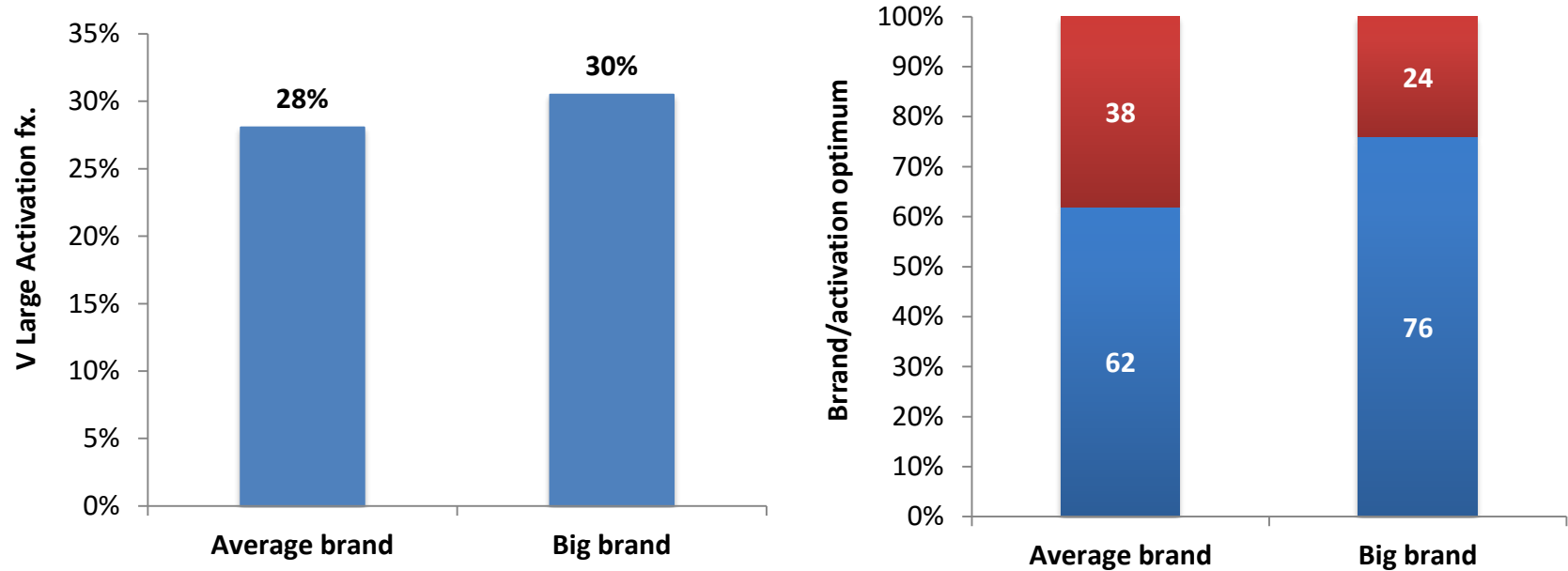
Source: IPA Databank, 1998-2016 for-profit cases

# Brand effects are biggest for new brands



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

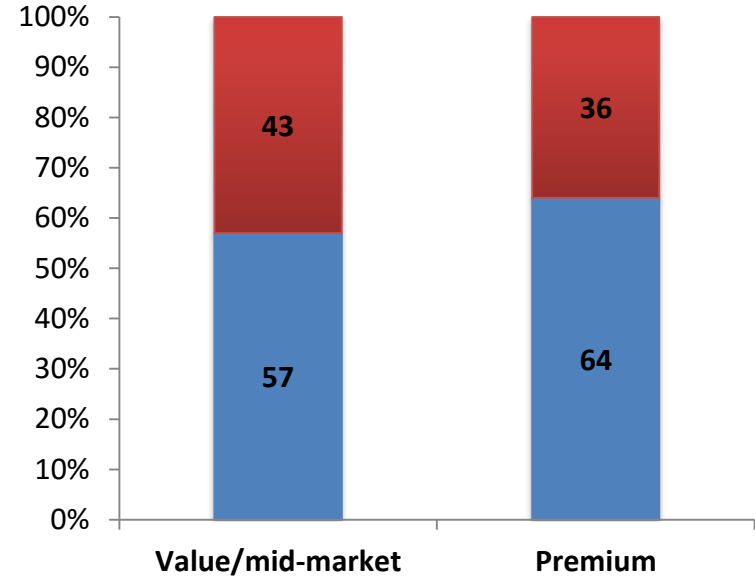
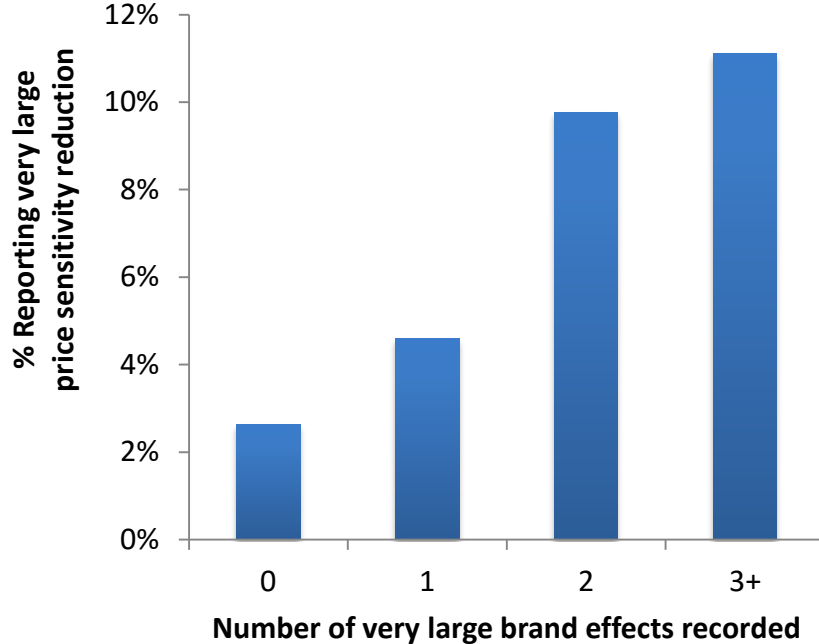
# Activation gets easier as brands grow



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



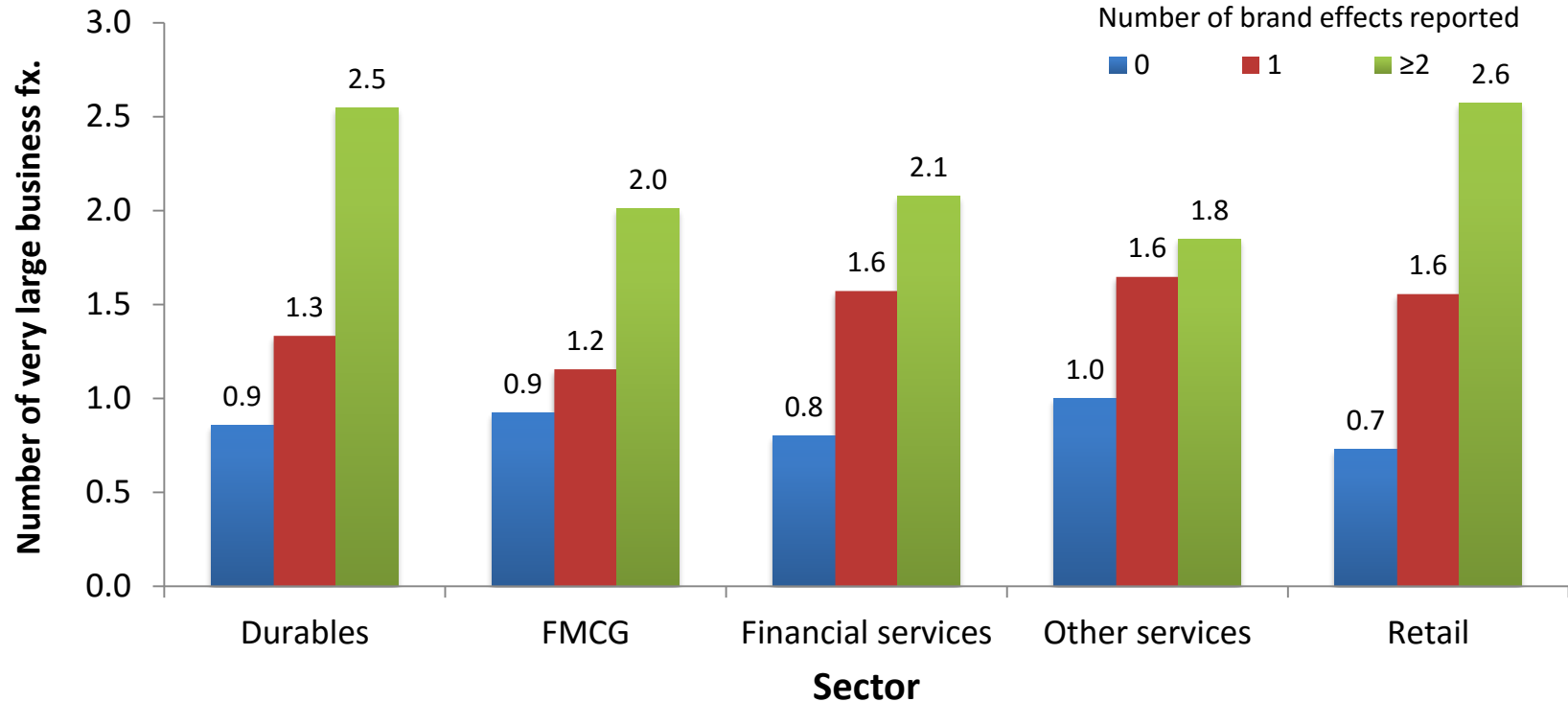
# Brand is the key to premium pricing



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

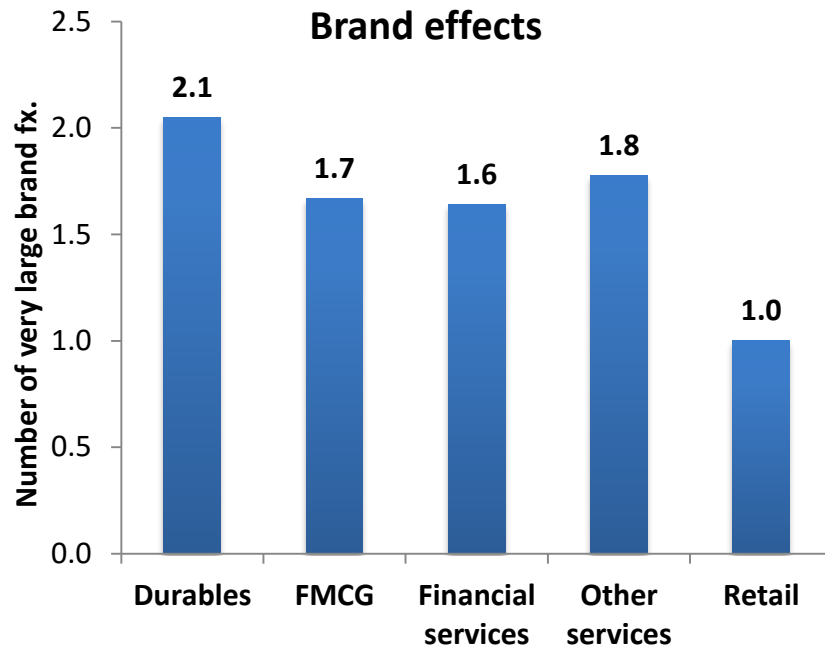
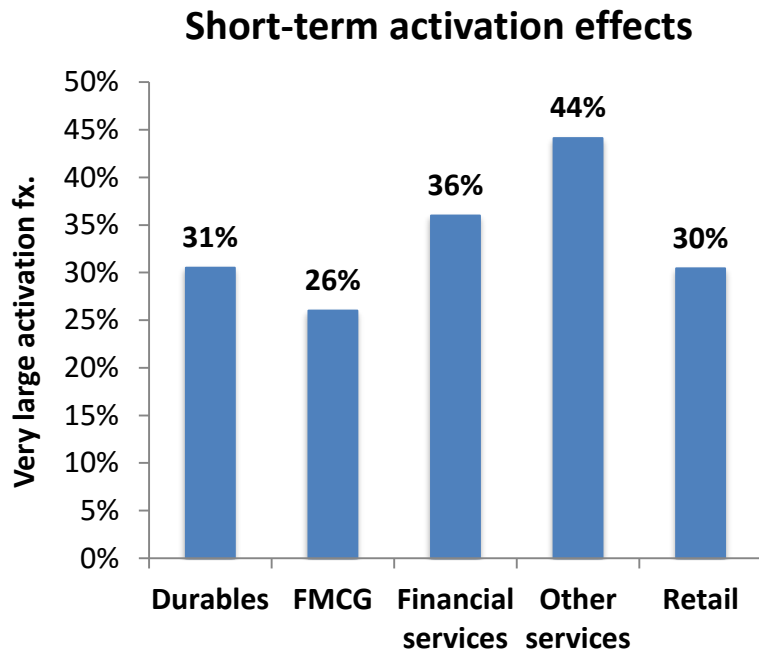
**How does this affect sectors?**

# Brand building always drives long-term effectiveness

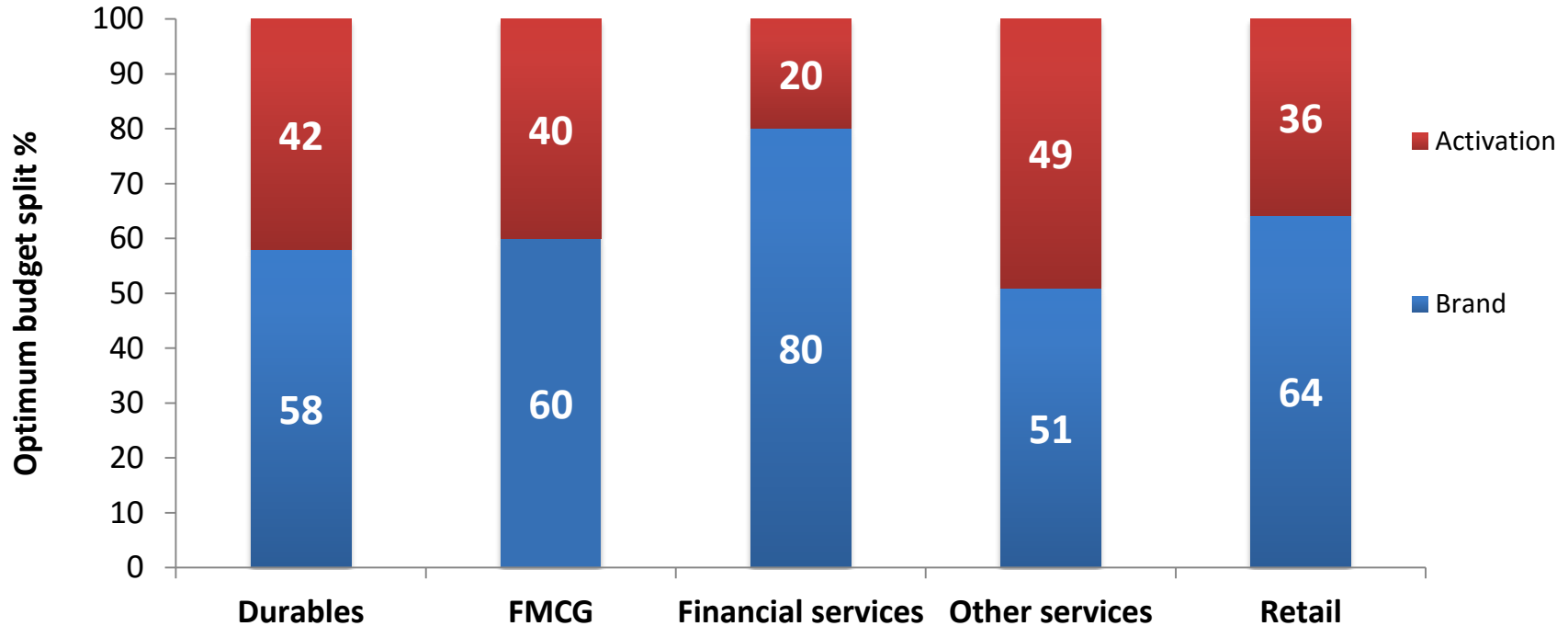


Source: IPA Databank, 1998-2016 for-profit cases

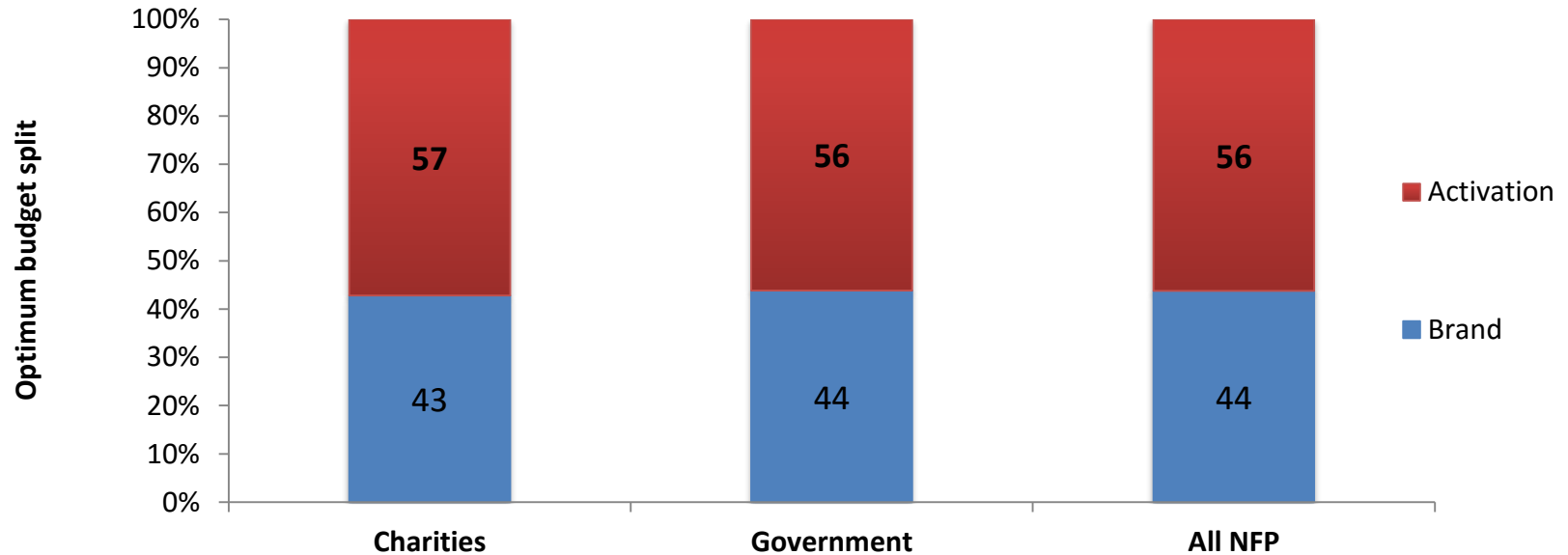
# Brand & Activation potential vary widely



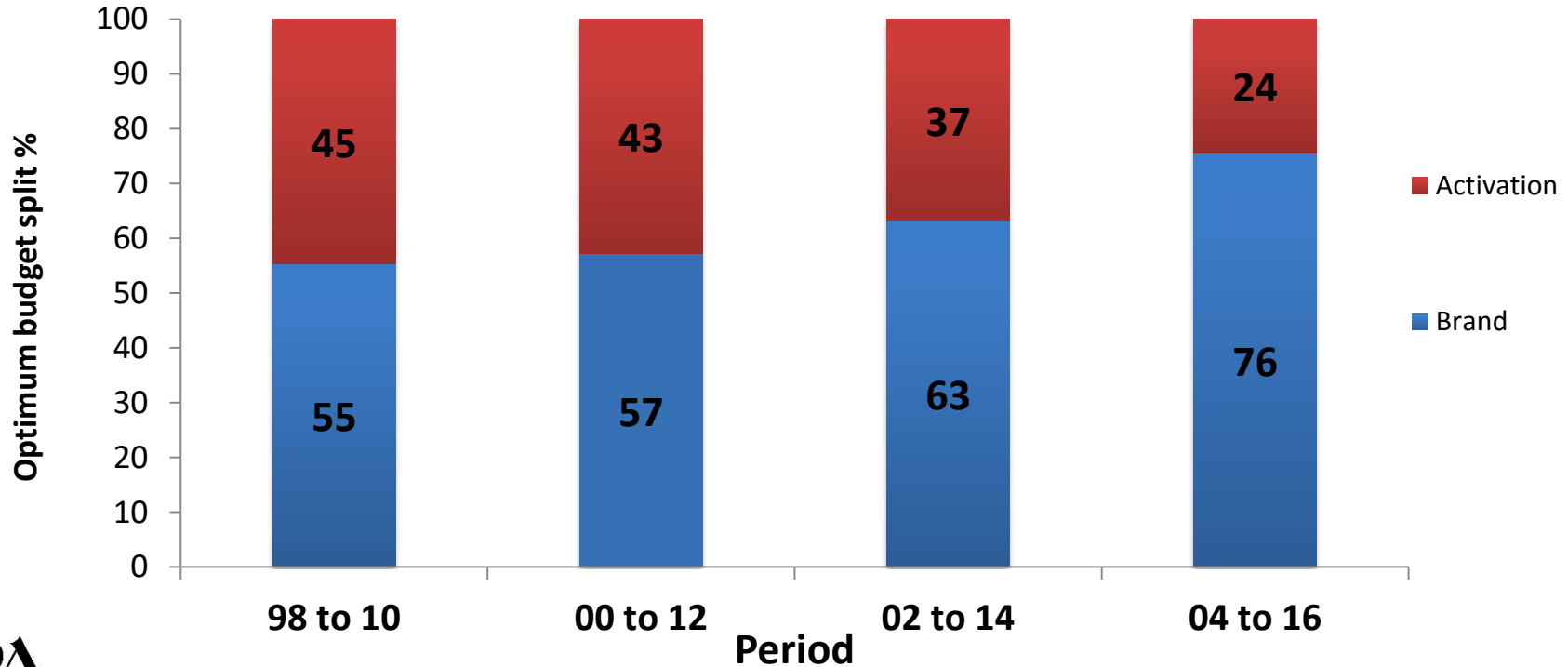
# Up-weight brand in Financial Services, down-weight brand in Other Services



# What about the NFP sector?

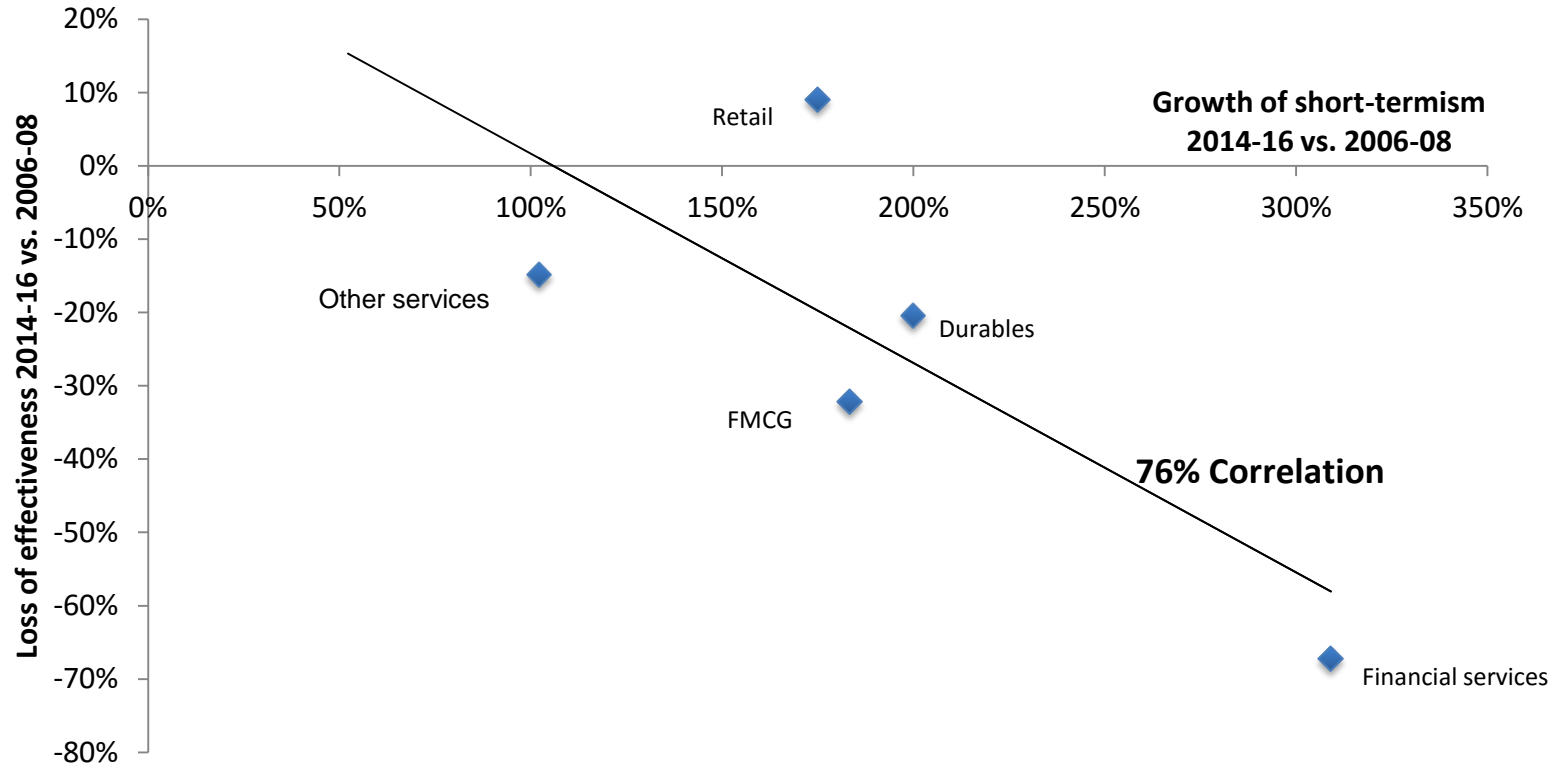


# Brand building is becoming more important, not less



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

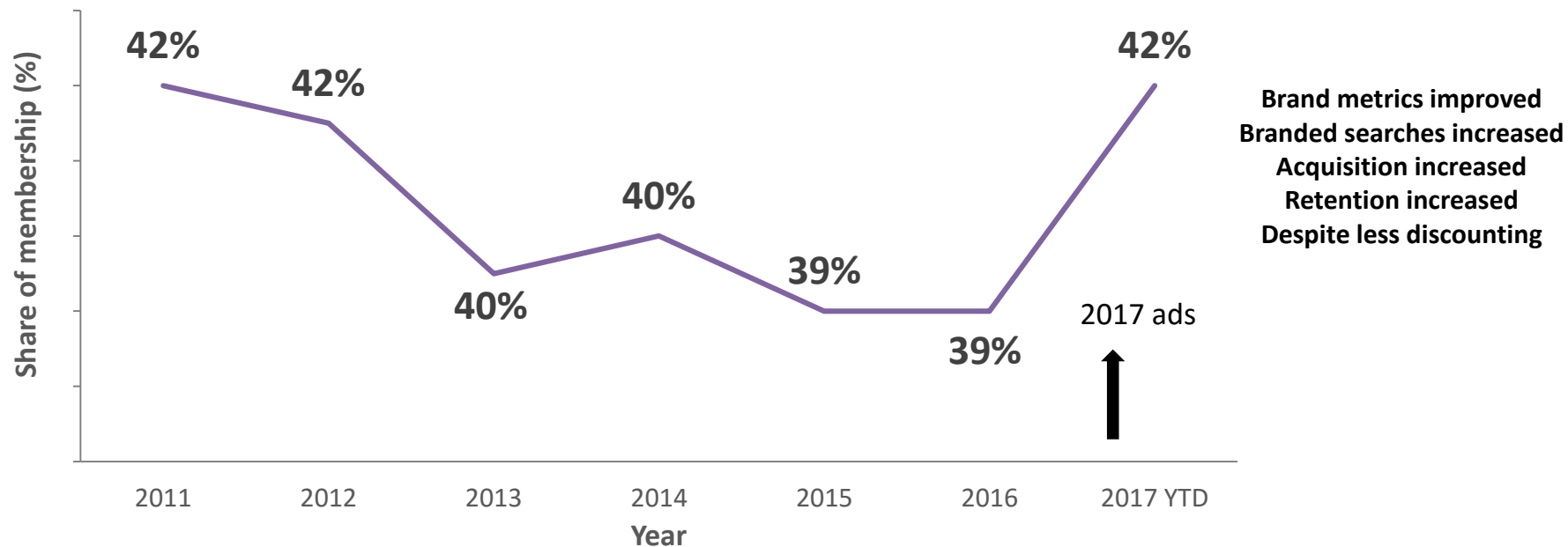
- Brand activity cut in favour of “hard working” activation
  - Initial discounts used to entice new members
  - Renewal price hikes used to make up profit
  - Highly profitable in the short term, but...
- 
- Brand metrics in free fall
  - Whole category becoming commoditised
  - Angry customers, churn 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



# 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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