A Line in the Sand

Karen Hand & Jill McGrath

TAMIreland
Television Audience Measurement Ireland

iapi
Institute of Advertising
Practitioners in Ireland

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Key Findings from Meta-Analysis of the Irish Advertising Practitioners of Ireland (IAPI) Effectiveness Database.

Karen Hand & Jill McGrath (2015)

Acknowledgments

This meta-analysis was commissioned by the TAM Ireland Board who supported it by sourcing additional data where needed.

The IAPI Board and CEO Tania Banotti gave us access to the aggregate data contained in the 106 case studies from 2006 to 2014.

ICAD, Kinsale Sharks and Cannes also supported this meta-analysis by providing data on creative awards for the period 2006 – 2014.

The working version of the data presentation was shared with the TAM working group at their annual conference as well as IAPI Board and individual media and strategic planners, Dave Winterlich, Sandra Alvarez, Andy Pierce, Dave Tallon and Mark James. In addition, Emer Howard, Chief Strategy Officer Rothco and Brian Keating , Brand Director in AIB reviewed the analysis and findings in advance.
We would like to thank all these groups and individuals for their support and valuable feedback.

Foreword

TAM Ireland recognise the need for hard evidence to prove the work and worth of advertising in Ireland. We are keen to demonstrate the power of what we do in a way that is understood by even the most cynical at the boardroom table, so that when it comes to allocating budgets, advertising can take its rightful place on the agenda.

To achieve this we followed the lead from the UK and set about building up a book of evidence about the power and value of advertising in Ireland. Although we are an organisation whose focus is Television, in this instance, it is the argument for advertising in general that is built and told.

Looking at it from 2 different angles we worked with well-known and highly respected independent strategic planner Karen Hand and Marketing and Branding lecturer John Fanning.

Karen Hand and myself have pulled together the findings gathered from various data sources including the IAPI AdFx awards to prove in the most objective way possible, the strength and value of advertising in Ireland. This book of evidence is aptly called 'A Line in the Sand' as it is the first step in building up a powerful argument for the tremendous impact our industry can have on a brand.

I hope the industry take this publication as a foundation to building irrefutable evidence on the true power and value of advertising and that they will use the findings in this publication to guide their clients into taking practical steps to improve the value of marketing/advertising as an investment.

Jill McGrath
CEO - TAM ireland

Karen Hand

Karen Hand is a strategic planning consultant, working globally with clients & agencies. Previously she worked in brand management in P&G and as a board planning director in BBH, where she won the APG Grand Prix & Gold International for strategic planning. Karen has trained marketeers in advanced communications around the world. She has judged the U.K APG strategic planning awards & the IAPI Adfx awards three times. She has designed and leads an eight –week customized master-class on planning effectiveness for senior strategic thinkers. She is committed to better problem solving across organisations, sectors and cultures.

Jill McGrath

Jill McGrath is CEO of TAM Ireland which oversees an accurate and effective audience measurement system for the whole of the television advertising industry. A Marketing Professional Jill has worked in every aspect of the advertising business, starting her career in the media department of an ad agency, she then moved to sales in Independent Newspapers and FM104 where she later became Marketing Director. She was founder and Managing Director of online company Flycatcher Media and set up a number of websites including maybefriends.com

Effectiveness

Dave Winterlich
Chief Strategy Officer
Dentsu Aegis Ireland

Is advertising a cost or investment? The problem is that the school of thought on the latter seems to be a hymn sheet only the marketing industry sings from. Anyone outside marketing considers it a cost, albeit a cost with some potential return, on some measure, at some point, with some caveats (all things being equal this should deliver x). An investment usually implies a quantifiable return that can be largely attributed to the initial stake. And that's where things slowly start to fall apart.

I don't think A&P departments are being treated unfairly when asked to provide justification for marketing budgets. It seems perfectly acceptable to me that in any instance or project where significant amounts of money are being spent one should be entitled ask "what is the expected return on this?" whether that's investment in an IT upgrade, a revamped website or even an advertising campaign.

As an industry we need to get better at due diligence, the "trust me, I'm a doctor" line doesn't work anymore, CEO's/FD's want to see the wound and want a post-surgery report. As an industry we are getting better and I commend TAM Ireland for taking the reins on this but we still have a lot to do if we are win over the doubters. I'm being facetious in saying that nobody outside marketing believes that advertising works, of course everyone would agree that advertising works on a macro level but when you try and isolate the effects on a micro level, whether that is on a specific campaign or a specific channel it becomes difficult. Even in digital channels it becomes difficult as we always attribute the sale to the last click without fully understanding the digital journey, never mind the offline journey of influence, before a search query or sale.

At Dentsu, whether it's through the media side of our businesses in Carat, Vizeum or iProspect or through the creative side via Isobar, we are increasingly working with data to identify the effect of media on a client's business. We have access to best-in-class econometric statisticians who model advertising effectiveness and at a group level we are working on next generation real time data analytics modelling with enhanced predictive capabilities.

One of the problem with econometrics in its previous guise is that it's always retrospective, telling you where you have been and what has already happened. Another problem, particularly in a market the size of Ireland is that entry level costs for a weighty econometric project are disproportionately high compared to a UK client wishing to engage in such a project. There is an onus on media agencies to continue to prove a case for return on investment but return on investment should also consider investment in creative rather than just the media investment. As an industry I would like to see a united front from media owners, there are lots of intra-media studies around the effectiveness of television, or search, or outdoor, but we need more robust case studies on total advertising effectiveness generally.

Clients are finding themselves increasingly pressured to make a case for advertising investment. As an industry we often struggle to answer what, from an outsider's perspective, seems an obvious question. How much should I invest? What does it take to launch a brand in this category? How much do I need if I want to grow to x% market share? What happens if I increase my budget by 50%? Should I make a new TV ad? While one can never give an exact answer, we should at least have a bank of research upon which to draw from. While this is a great first step I think at an industry level it would be even better to get ourselves on par with UK in terms of an advertising intelligence resource and a sizeable knowledge bank of case studies.

A World of More

Mark James
Director & Lead for Team Red
MEC Ireland

We live in a world of more - more technology, Moore's Law, more choices. And more things to remember – the number of items we shouldn't be forgetting is scientifically estimated to have risen five-fold since 1986!

But in amongst all that more, there is one thing that hasn't changed – and that's the human brain. There's no Moore's Law for the grey stuff, no opportunity to upgrade. And all this 'moreness' is starting to really confuse us as people. Demand for our attention has now outstripped our cerebral supply.

Which is where our business comes in – the business of brands. Brands, and their stories, should act as a short-cut in this ever more confusing world, a safe haven for people - mental and physical welcome signs for weary travellers.

As human beings we cling to stories – we have been telling them and swapping them for thousands of years – and at the heart of every story is emotion (whether it's hope, happiness, fear or upset). As marketers, creators, mediators, disseminators we create the stories that build and sustain brands that bring value into the lives of consumers.

The work done here, and other work like that of Binet and Field in the U.K., makes it clear that this emotional brand building, and the creativity behind it, is the key to long-term profit. Not just everywhere else in the world, but here in Ireland too.

It's critical to the long-term welfare of our business, and we need to be researching it more, saying it more often, and saying it louder, so that our Client organisations recognise and understand it from top to bottom.

It doesn't start with a click or the ring of a till – it ends with them.

Big payback comes from long-term effects.

Here at MEC, across many different brands, categories and markets we have seen through our 'Momentum' studies that the work we do during the 'Passive Stage' ,where most of us spend time as consumers, is vital to generating consumers' 'Passive Stage Bias' towards our Client's brands. That's brand preference that we help create before those consumers are triggered into making a purchase, and enter the 'Active Stage'. The more long-term affinity or affection you can imbue in your brand the better, before they decide to buy.

If we continue to ask our Clients to invest ever-growing sums in the services we sell, and the media they buy, then we need to show them that it all works. They often demand this greater understanding, and they are right to do that.

We need to do more of the work that's been started here with 'A Line In The Sand'. It's our duty to demonstrate that we can, and do, generate more value share for our Clients through delivering strategically sound, well thought-out, creatively strong, and meticulously executed campaigns with efficiently superior share-of-voice (like those that feature in IAPI AdFx).

Once we have done that, then we can really enjoy and profit from our world of more.

Where next for the Irish Advertising Industry?

Andy Pierce, Group Strategy Director, Core Media

John Hayes has 103 Irish caps. He's widely regarded as one of Ireland's greatest and most successful prop-forwards. What's more, for me he's emblematic of what the best of advertising is. It may seem like a strange comparison, but I'll try to explain why it is apt.

Before I do, I'd like to take a moment to commend Jill McGrath, Karen Hand, and everyone else involved in producing such a fantastic body of work. This work, following as it does on the back of a similar study conducted by Les Binet and Peter Field for the IPA in the UK in 2012, helps to answer that simplest yet most important of questions regarding advertising; "Does it work?" Both reports clearly demonstrate that advertising is not only effective in a broad sense, but that advertising used well is one of the most effective tools at the disposal of any company to grow its business.

Binet and Field started a discourse about effectiveness, Jill and Karen have continued that, and next it is the responsibility of agencies of all types, and marketing departments to continue that conversation right through to the boardroom tables of businesses across Ireland.
For me though the tenor of those conversations must be different to what went before. What these studies clearly highlight is that advertising works gradually and slowly over long periods of time. They demonstrate more clearly than ever that advertising is an investment, and one which will deliver a return. The output is that as an industry we need to be much more rigorous when it comes to working with client businesses to set and manage long term goals.
What's next is laying down three and five year objectives. These should be tied to business plans and business cycles. Instead of working off quarterly planning sessions, annual budgets, and floating objectives we must hold ourselves to higher account; agency and client alike.

What's next is changing how we budget. Budget has often been a dirty word certainly in media. However as we move back into an inflationary cycle again we must acknowledge that correct investment levels are a critical component to success. It's very difficult to get your pension to do "more with less", and it's the same with your advertising

investment. Instead however, we have the opportunity to change how we speak of investment. Instead of fighting annually or quarterly for budget, there is the argument to suggest we adopt a P&L approach

to marketing investment. This links the investment directly to returns. A marketing P&L would allow for easy up-weight or down-weight depending on what is working, on market changes and on business results.

What's next is setting not static, but sequential KPI's, which work towards those long term business goals, and allow marketers and agencies to judge and show success.

Perhaps most significantly, what's next is also a re-evaluation of our hero's. All too often talk turns to Apple, Uber, Netflix and their silicon friends. But these aren't marketing companies nor are they great marketers. Their success comes from creating new technology, new categories and new products. In the case of the latter two, their marketing efforts are often standard, sometimes even damaging. Instead, we should seek to hero the unglamorous, the hard working, and the un-sexy. Brands like Audi – which over 15 years have quadrupled their market share and transformed their brand to a high-margin luxury one. Brands like Dove, which for a decade has stayed true to it's Campaign for Real Beauty, consistently building on that platform to become one of the most valuable brands in the Unilever stable. Brands Like Lidl in Ireland who have grown enormously and changed consumer behaviour forever. Or McDonalds who have repaired their position over the last decade and become a highly valuable brand again. These companies have built value through emotional connections established over a long period of time, not through rational or tactical messaging. Success is undeniable, but it has also taken time and has been built one step at a time.

Which bring us back to John Hayes and the game of inches. In his entire career of 103 caps for Ireland and a Lions tour, he scored one try. Yet in the era of the O'Driscoll's and O'Connell's of this world he was always one of the first names on the team sheet. Because he was vital to moving the whole team forward, one hard-working inch at a time.

Advertising is the prop-forward of business, not the mercurial out-half or the magical wing. Every now and then props make barnstorming breaks. 40 yard moments of breath-taking majesty which bring stadia to their feet and send commentators into rapture. They make for great TV and greater highlights reels. And they are often highly memorable. But they are the exception, not the rule.

Moments of magical brilliance will punctuate theirs' and our careers, but that's not why John Hayes made the team sheet year in year out. The prop's day job, like that of advertising is to keep the business moving forward slowly and steadily – one inch at a time.

The Value of Advertising

Client Response from Brian Keating – Brand Director, AIB

It's great to see that TAM and IAPI are really grasping the nettle and demonstrating the key commercial role & commercial value of advertising.

Throughout my own career, both as a marketer and as a consultant, I have found it frustrating how Marketing, the engine for generating consumer demand, can lack sufficient clout and influence within the Boardroom. This has been because in many cases we, as Marketers, have sometimes been our own worst enemies – we can get immersed in visions, campaign ideas and innovative 'firsts'- and fail to clearly communicate the financial return that we deliver to the CEO, CFO and total organisation.

Industry initiatives such as "The Value of advertising" are a key tool for balancing the "art" & the "science" of Marketing and in the process helping redress any over emphasis on "the how" rather than "the what".

If we are really about understanding these audiences, we need to put a bit of time and rigour into demonstrating what we have returned to the business in hard returns. Marketing is the engine for consumer demand, so we have to be the engineers with metrics and results as our specifications.

Be it sales, enquiries, revenue, market share or advertising effectiveness data, these are the hard facts that will drive real appreciation & recognition in the boardroom for great creative thinking, planning and understanding of our consumers.

In my current role in AIB, the team recently delivered a campaign where we were able to measure the level of on line & telesales engagement and sales response to our communication on a minute by minute basis and then use the data to prove the financial case for incremental Marketing investment and the overall value of effective marketing. Just to be clear – this is not about drowning in data and getting lost in a forest of metrics – this is about having the confidence and clarity to measure and learn from each campaign we run to ensure we are seen as a key component in any conversation on investment & revenue.

On a personal level, I was very reassured by the finding that campaigns delivered with creative excellence and stand out are on average ten times more media efficient than non-awarded campaigns. I am delighted that this research demonstrates that great advertising when delivered can produce step change performance rather than incremental results. Great advertising can deliver great results – Mediocre work won't. In an unprecedentedly complex and busy consumer media landscape this means that Marketing has never been more challenging but importantly never a more exciting a place to be. From an AIB perspective, over the last 2 years we have focused on creating positive disruption with our customers in many advertising varied forms – whether it is sending

Ireland's best GAA stars to live the lives of professional baseball & soccer players in "The Toughest Trade" TV documentary or following our customers who have taken out loans to capture and tell their personal stories. These are examples of where delivering a compelling advertising story creates enormous media value to an organization.

The findings from this analysis have also proven that media investment and share of voice is a very important lever for commercial return. Once again, this is a key finding for Marketers when engaging in investment discussions with senior stakeholders within an organization. It is very tempting to over focus on the power of disruption and being a challenger brand and to start believing that a powerful creative idea can compensate for little or no investment spend. Of course there are great examples when a Cadbury 'Gorilla' or AIB 'The Toughest' goes viral and social sharing can offset paid media. But these are the exceptions -share of voice is still a vital competitive source of leverage. Share of voice still delivers market share performance. Getting the balance between great advertising ideas and the right level of media investment is like getting the right driver into the right Formula 1 car. You can have the best driver in the world but if you don't invest in delivering the best car for him, you're unlikely to win the race, despite his talent. Advertising is the same – you maximize the chances of success for your great campaign by investing in appropriate media levels.

Speaking as a client, it's great to work with Creative & Media agencies that are motivated by your commercial objectives & results and are prepared to design their campaigns and measure their campaigns in those terms. This goes way beyond KPI's appearing on the agency brief as a platitude — this about actual demonstration that an agency is interested in how it's outputs are influencing the performance of your business in terms of campaign design and a level of performance related remuneration.

For me – this whole event is an important line in the sand – We now have robust Irish data on the importance of great creative ideas and importance of share of voice in determining market share.
I'd like to see more initiatives like this where the agenda is about driving the overall value of marketing and advertising with our stakeholders in the Boardroom. I look forward to a lively discussion with my fellow panelists and to hopefully the emergence of more ideas and actions coming from the sector to showcase the importance of Marketing and advertising to the delivery of business results.

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1. Background to Study

The value of marketing has always been 'a given' for the marketing and advertising sector. Many academic studies have supported the commercial case for marketing investment (Doyle, 2000, O'Malley, Storey & Sullivan, 2011) and there have been many studies demonstrating long-term payback for advertising (Jones, 1990, Buck, 2001, Binet & Field, 2007/2013).

At the same time, there are also studies that claim that marketing lacks respect or has lost clout within the boardroom (Gordon & Perry, 2015, Verhoef & Leeflang, 2010).

A Fournaise study of 1,200 CEO's in Europe, USA and Asia in 2013, found that 80% believed that marketers are 'disconnected from business results', 78% believed that marketing 'focuses on the wrong areas' and 65% believed that marketing is stuck in 'marketing la-la Land'. This view has stemmed from an under-investment in analytics by the marketing industry. This must be addressed for this discipline to gain influence in the boardroom.

Value is subjective, contextual and relative. Recent evidence from behavioural economics (Ariely, 2011,Thaler & Sunstein, 2008) has shown that our evaluations are strongly influenced by context and environment. We only need to look at the Joshua Bell experiment. Bell, a famous virtuoso violinist donned a baseball cap and busked at a subway station. He collected $32.17 from 27 of the 1097 passers by. Three days before he earned considerably more playing the same repertoire at a sold out concert in the Metropolitan Opera House.

It seems important that the marketing and advertising sector does not take it for granted that CEO's and CFO's are fully aware of the value that marketing and advertising can deliver. The seminal reports produced by Peter Field and Les Binet (Marketing in the Era of Accountability - 2007 and The Long and the Short of It - 2013)- have produced weighty empirical evidence of the commercial return from the IPA database of U.K advertising effectiveness cases over 30 years.

This begs the question whether there is similar commercial evidence of effectiveness from the Irish Association of Advertising Practitioners (IAPI) and whether there are specific findings around the value of advertising, media investment and creativity within this market.

Objectives of the TAM Meta-analysis

1. To investigate whether existing Irish effectiveness evidence supports global evidence of best practice in marketing and advertising.
2. To highlight specific findings to underpin the value of investing in marketing media and creativity to business leaders in Ireland.
3. To recommend specific next steps to further develop and promote best practice within marketing, media, agencies and business in Ireland, and the world.

Strengths and Limitations of the Data

1. **There might be a concern that these cases only represent 'best practice' as only such cases are entered for awards.**

   There is a possibility that they might represent stronger evidence in terms of market share gain. On the other hand, previous studies have shown that these cases may under-state the commercial return of advertising investment because they (a) do not factor in the cost of maintaining market share and (b) do not always look at discounted cash-flows to evaluate longer term benefits of campaigns (Ambler, 2004, Binet, 2008) and (c) the average time-length of these IAPI cases is relatively short versus evidence of additional effectiveness of cases of three years or more (Binet & Field, 2013).

2. **The primary metric used in this meta-analysis is share-of-value market. This metric has been proven to be a strong indicator of commercial payback (PIMS database, Buzzell & Gale, 1987) as it reflects the competitive context for brands. It is a common metric understood by all departments in a business. It limits ambiguity and provides an objective view of business performance.**

   The most specific metric for payback would be return on marketing investment (Binet, 2008) but (a) this metric is not available for all the cases and (b) the time frames of investment and payback are not consistent across sectors.

3. **The overall size of the database is relatively small (106 cases) versus the IPA databank (998 cases) and there is less detailed data.**

   This limits the level of fine-grained (or sectoral) analysis that we can do at the current time. However, it does provide statistically relevant data for three key areas investigated.

4. **The key media metric in this analysis is 'share-of-voice' as provided by Nielsen from 2007 to 2014.**

   This covers traditional media but does not include digital and social media. Initial analyses from Peter Field and Les Binet (IPA, 2015) have indicated that digital and social media may follow similar patterns to traditional media in terms of short-term and long-term effects. Overall digital measurement and evaluation will be an important element in future meta-analysis of the IAPI database.

5. **All the analysis in this meta-analysis is correlational versus structural equation modeling.**

   Findings are therefore directional. However, we believe that this meta-analysis provides a strong empirical foundation for future analyses.

Three Research Challenges for the Meta-Analysis

We set ourselves the challenge of investigating whether and to what extent that we have Irish empirical evidence that:

1. **Advertising** works in terms of commercial payback
2. **Media investment** works in terms of commercial payback
3. **Creativity** works in terms of commercial payback

2. The Data Set and Methodology

There were three main data sets within this meta-analysis:

1. **Analysis of the 106 IAPI effectiveness cases between 2006 and 2014**

   These included FMCG, pharmaceuticals, financial and corporate services, pro-social, automotive, alcohol, retail and leisure.

2. **Additional media analysis done for all cases from 2007 to 2014, including share-of-voice, types and numbers of media.**

   This allowed cross-sectional analysis of share-of-market and share-of-voice.

3. **Deep dive analyses looking at the relationship between share-of-voice and share-of-market for four sectors from 2007 – 2014.**

   The four sectors were lagers, supermarkets, premium ham and motors and spanned from 'Boom' to 'Bust' in terms of the economy.

   This allowed for longitudinal analysis of share-of-market and share-of-voice.

   It also highlighted useful learnings for media investment and budgeting.

   *N.B. All data is objective and quantifiable in absence of qualitative author evaluations contained in IPA author surveys.

Key Data included in Meta-Analysis

The key data included in this meta-analysis is shown in Table 1 below:

IAPI Effectiveness Cases 2006 - 2014 IAPI Award Winners 2006 - 2012 = 65 IAPI Award Entrants 2014 = 41 Total Award Winners = 84	106
Creative Awards ICAD 2005 - 2014 Kinsale Sharks - 2005 - 2014 Cannes - 2005 - 2014	39
Media Spend Data Nielsen 2007 - 2014	78
Change in Market Value Share	47
Attempted ROMI	36
ESOV	36
Campaign Type* Brand (24) Brand Response (60) Direct Response (22) *Campaign Type was judged by independent expert reading of the 106 case studies	106

The cases for the meta-analysis include cases from FMCG, pharmaceutical industry, corporate and financial services, telecoms, alcohol, automotive, retail and pro-social sectors. The breakdown of these cases by sector is shown in Figure 1 below:

Breakdown of cases in Meta-analysis 2006 - 2014

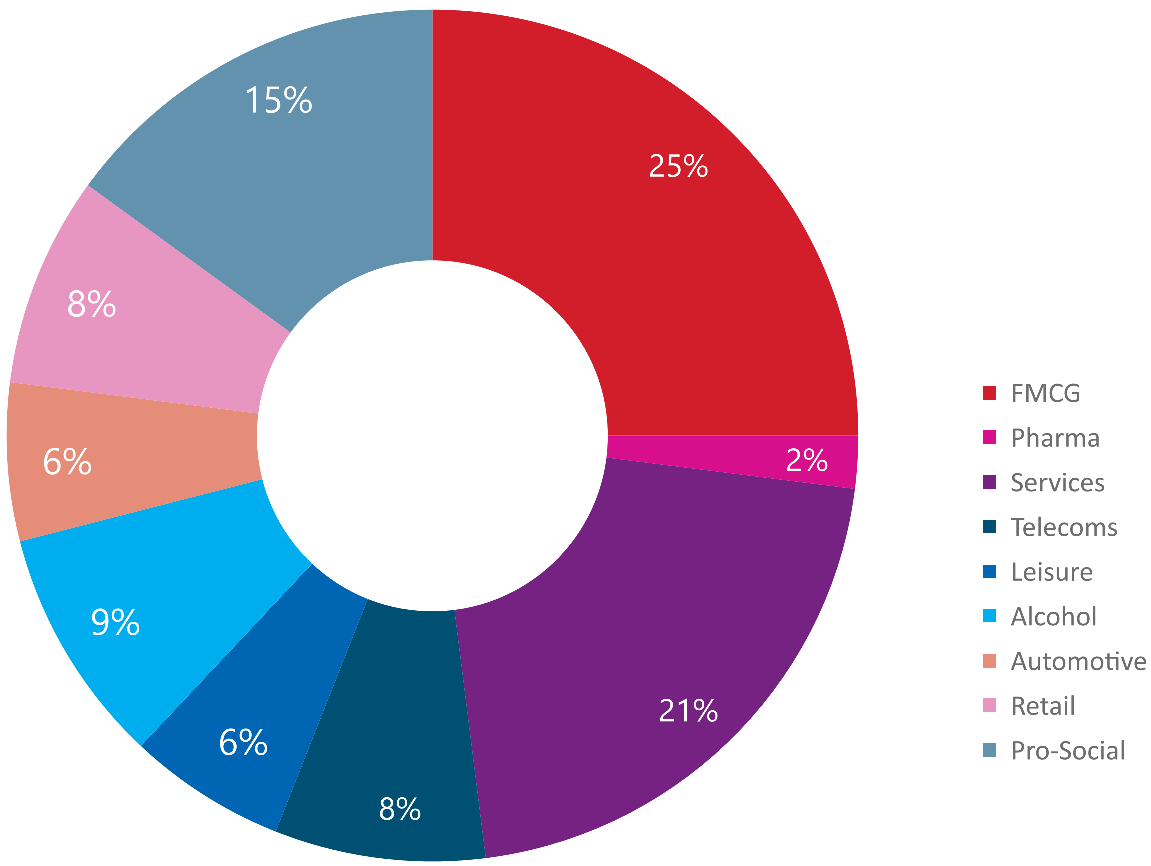


Figure 1

N = 106

As outlined by Les Binet (2008), return on marketing Investment (ROMI) is a gold standard metric to evaluate the commercial return of advertising on a case–by-case basis. It will be important to build a stronger empirical base in Ireland that demonstrates strong proof of ROMI by sector over time. However, at an aggregate level, the calculation of ROMI can be different by sector and by campaign type. As a result, this meta-analysis has used value market share as the key metric for comparison across cases as this shows a more even playing field for general learnings for marketing and business.

The break-down of cases by ROMI versus the IPA database is shown in the table below:

Break-down of ROMI on cases*

ROMI	No.	IAPI%	IPA%
<100	4	(11%)	34%
100 - 200	13	(36%)	23%
200 - 400	9	(25%)	21%
400+	10	(27%)	24%

* In both cases, the ROMI base size is small and sourced from authored papers calculations

Types of campaign in database

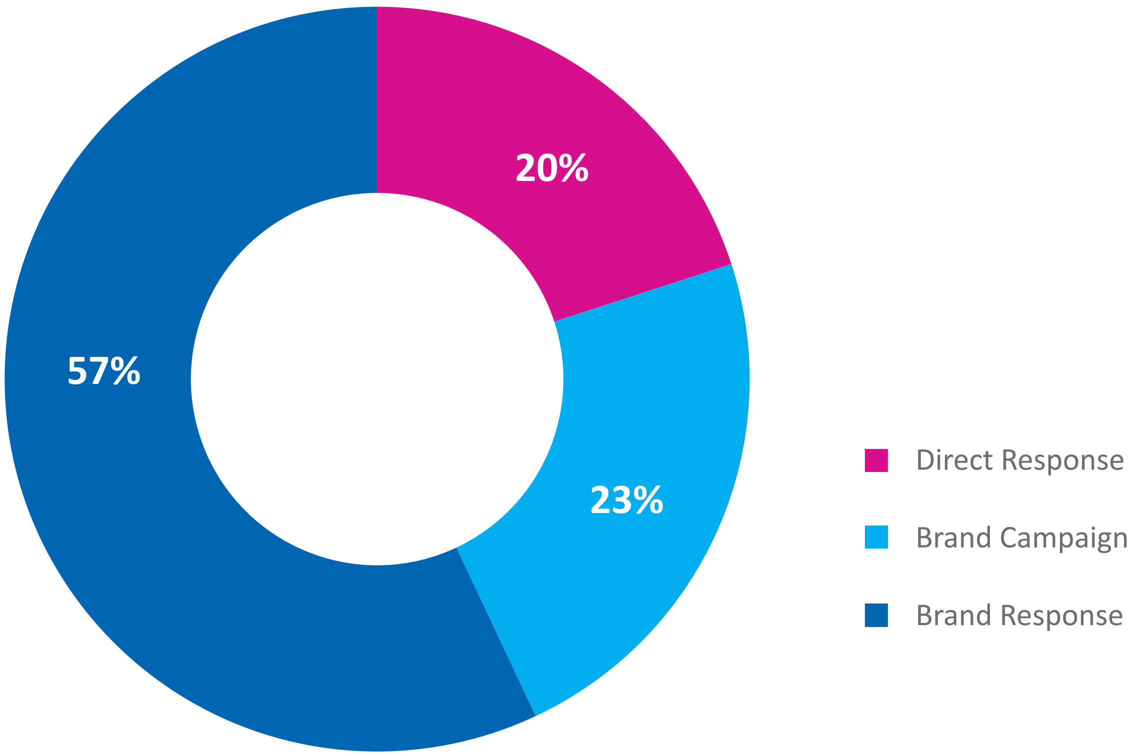


Figure 2 N = 106

The campaigns were classified into brand building (for example Bulmer's campaign) brand response (for example Liberty Insurance or Three mobile campaigns) and direct response campaigns (for example car scrappage campaigns). The average change in value market share for each type of campaign was very similar, which might lend support to Binet and Field's 2013 findings around the commercial return of both short-term and long-term marketing efforts. The types of campaign in terms of brand, brand response and direct response are shown in Figure 2 above

The objectives explicitly stated within these 106 cases are shown in Figure 4 below.

Setting measurable objectives prior to the campaign is vital in order to keep the campaign focused and to be able to evaluate and understand effectiveness.

As you can see almost 70 of the cases state they have sales increase as a campaign objective, while around 40 have specific market share objectives. It is crucial that all marketing campaigns have clear measureable objectives at the outset.

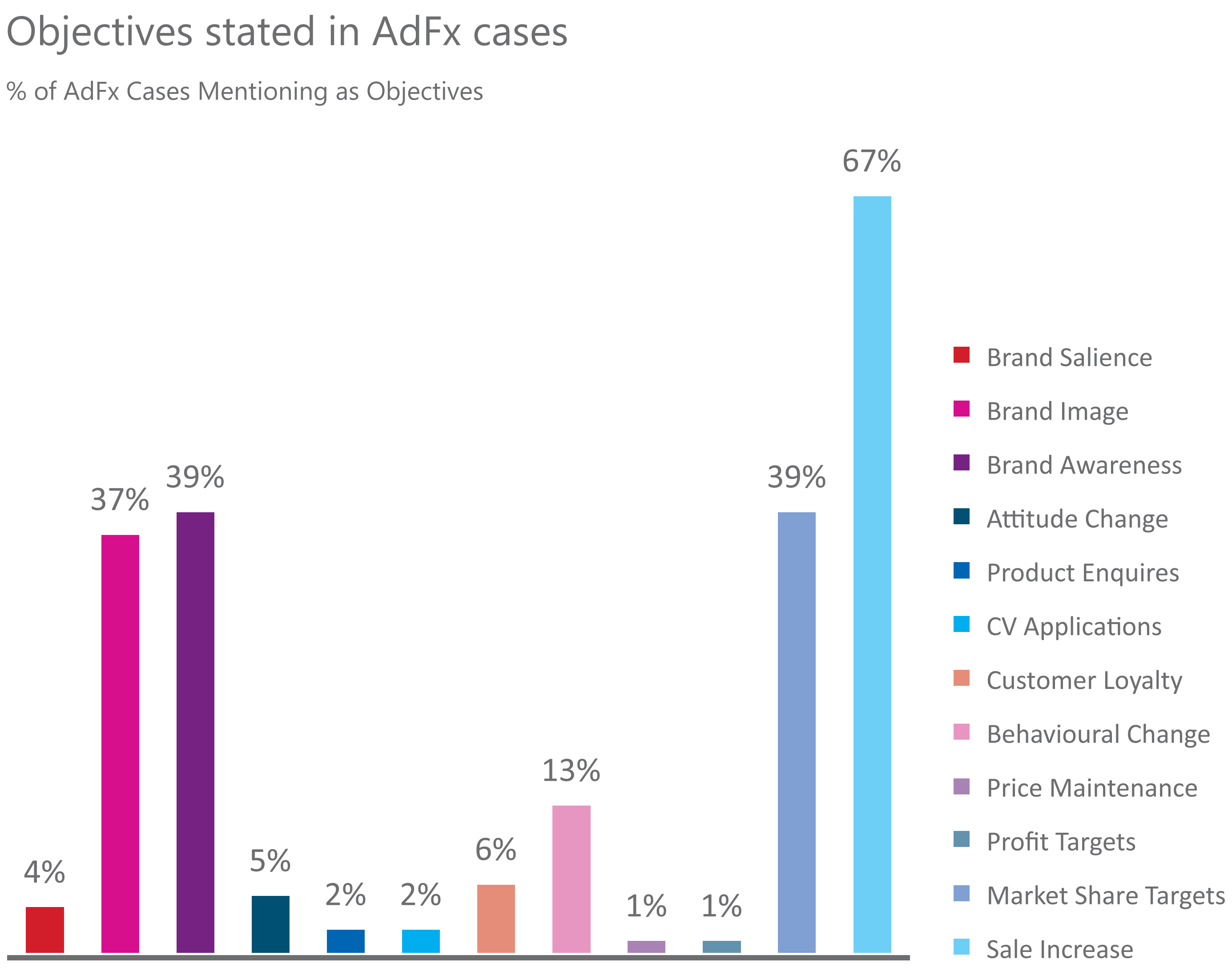


Figure 4

N = 106 cases

Please note: There is an opportunity for future data collection and analysis to also explore any key effectiveness differences between customer acquisition and customer loyalty strategies, following on from the findings of Binet & Field (2013).

The media usage of these cases is shown in Figure 3 below. The data demonstrates that there is rarely a silver bullet solution when selecting media. While TV is used in well over 80% of the campaigns, this is generally in combination with at least two other media.

Please note these cases **do not** include digital, web or social media data. In the deep dive analysis, we have explored digital share-of-voice for the four categories explored. However, the effectiveness and role of digital media will be an important area for the industry to measure and evaluate moving forward.

Media Usage 2008 - 2014

% of AdFx Cases usine Different Media*

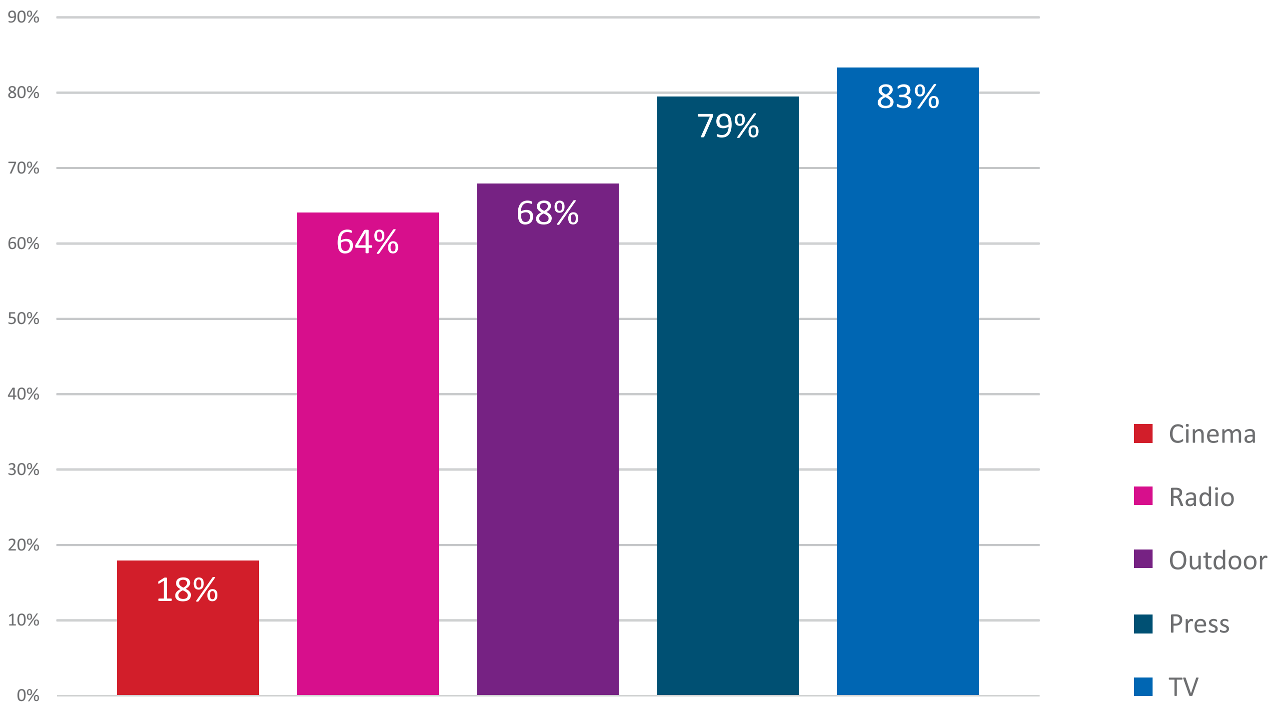


Figure 3

N = 78

Average No. of Media used = 3.11

Most popular of 2 media = Press + TV

Most popular of 3 media = Outdoor/Press/TV + Press/Radio/TV

This does not include data for digital, social or in-store mediasource: AdDynamix all Media advertising expenditure data

Key Learnings from Dataset Overview:

1. The 106 effectiveness campaigns from 2006 to 2014 cover nine different categories including FMCG, pharmaceuticals, corporate and financial services, telecommunications, alcohol, automotive, retail and pro-social.

2. Value market share and sales are the most widely employed metrics in these best–practice cases

3. The cases include both longer-term brand building and shorter-term direct response cases and around half the cases are 'brand response' campaigns that aim to build long-term brands and to increase short-term sales.

4. These effectiveness cases use an average of three different media per campaign.

3. Does Advertising Pay Back? Evidence.

The meta-analysis demonstrated that the IAPI AdFx Awards winners delivered almost 6% change in value market share overall. This compared to just over 3% change in market share for non-awarded cases. See Figure 5 below:

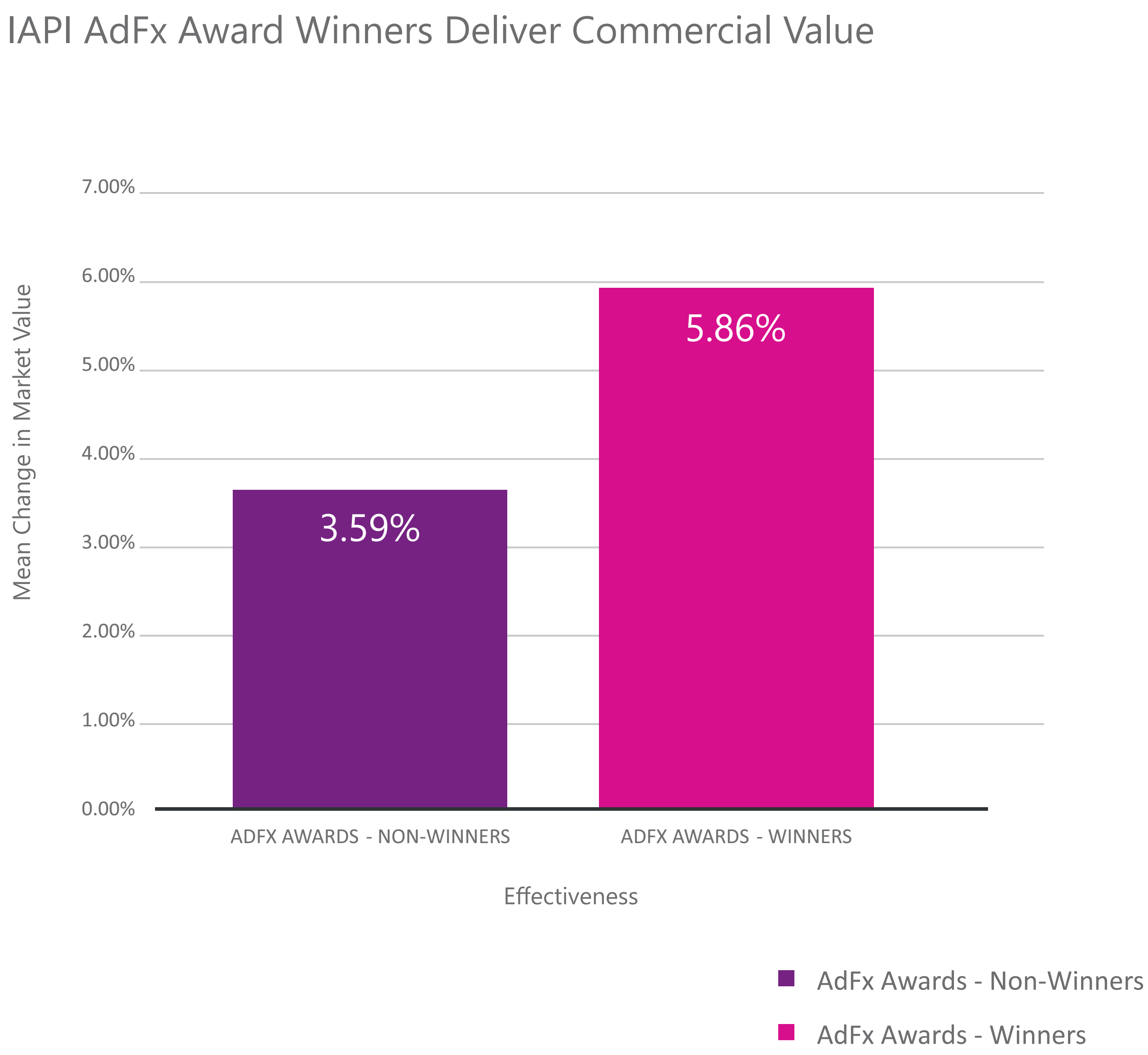


Figure 5

N = 106

In order to standardize the commercial return on a by-month basis, this translates to 0.8% change in value share per month for IAPI AdFx Award winning cases and 0.5% increase in value market share per month for non-winning cases. These changes in monthly value share may seem modest but important to note that a significant role of advertising is defensive, maintaining market share and distribution (Broadbent, 2001).

The time frame for IAPI AdFx cases is, on average, short, with 75% cases at 12 months or lower. See Figure 6 below:

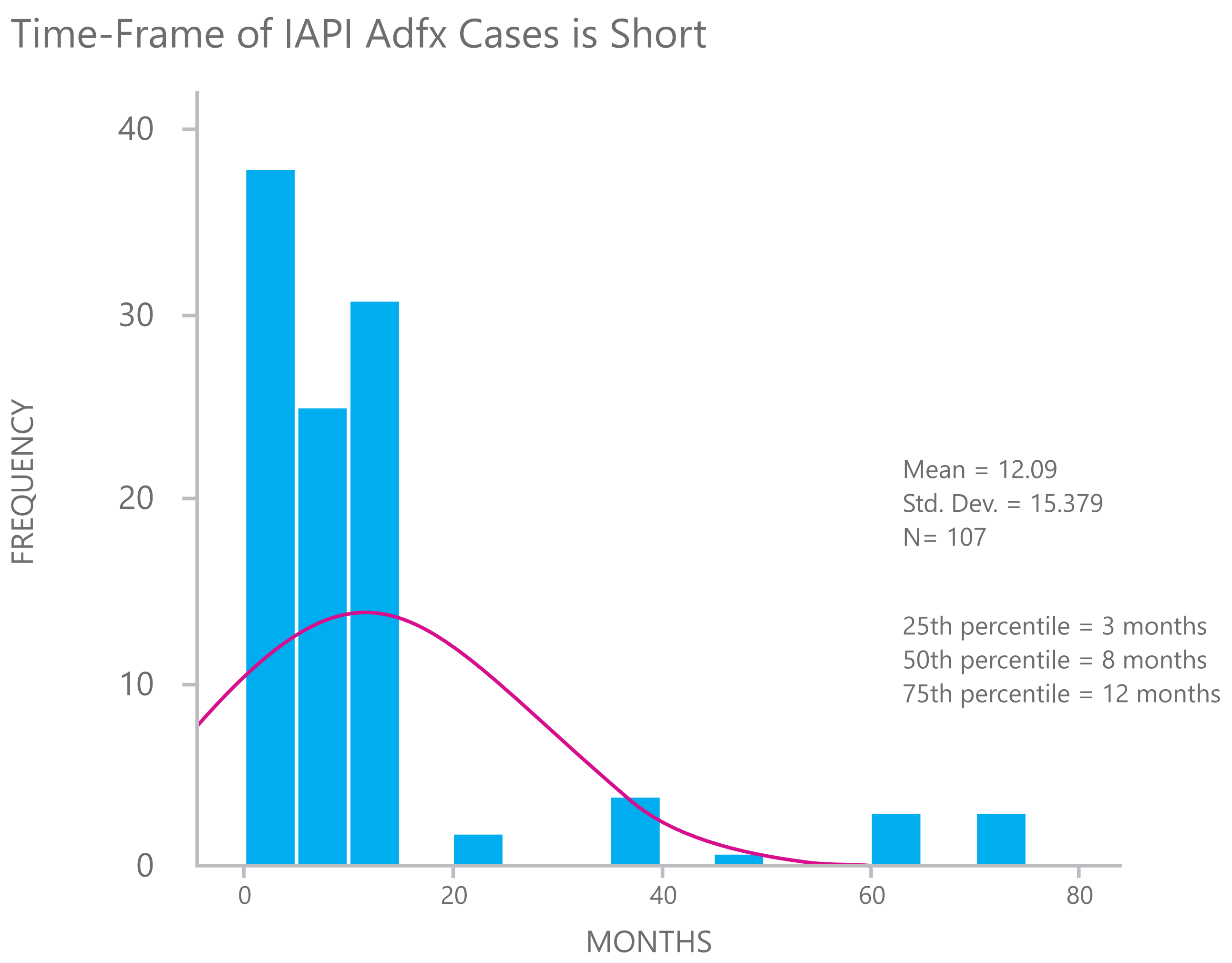


Figure 6

These shorter time lengths are worth noting in light of the Binet & Field (2013) evidence for stronger commercial long-term effects in terms of value share growth and price premiums for cases of three years or more.

The absolute change in market share peaks at ten months within this database, which reflects the shorter time lengths of the cases and the amount of cases, which deal with 'launch' campaigns. See Figure 7 below:

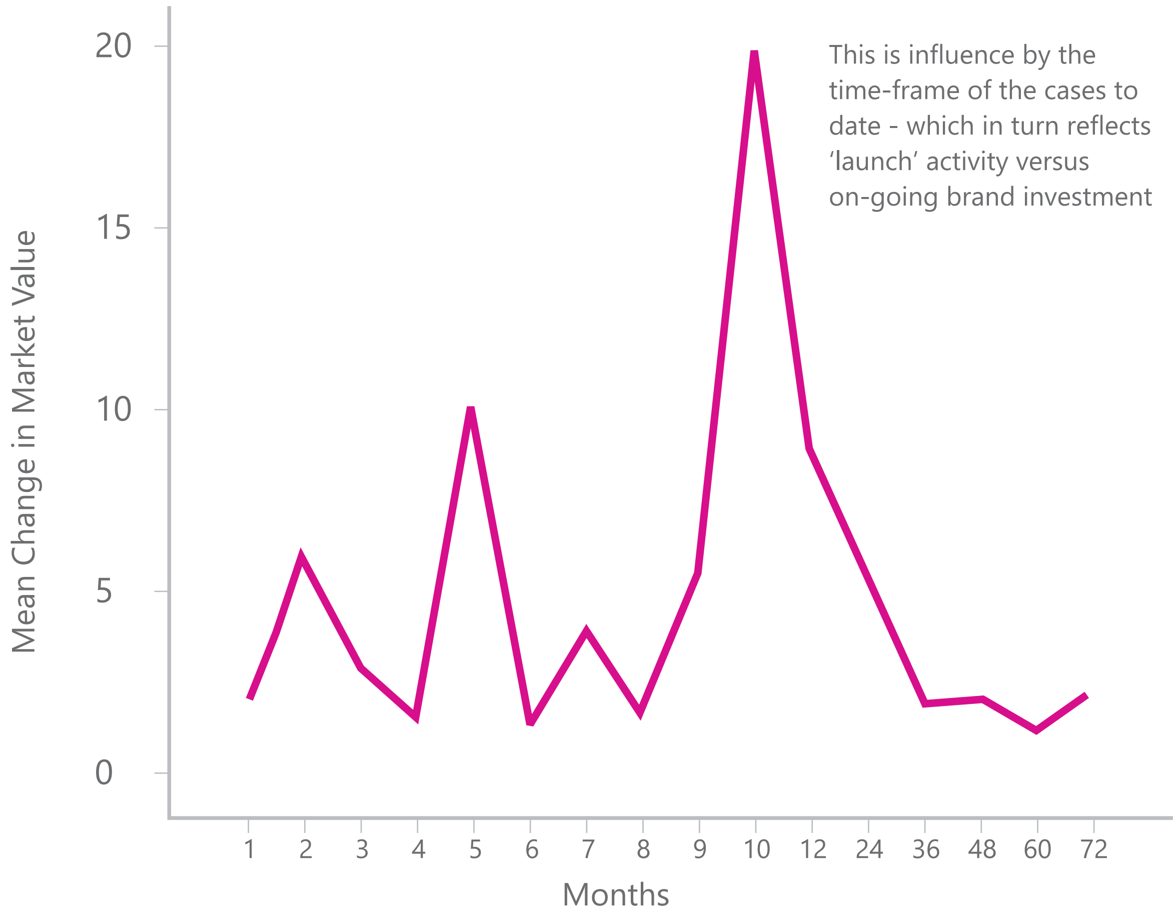


Figure 7

N = 47

The relative change in market share peaks at three months and after twelve months indicating that there may be evidence of both short-term effects and longer-term effects within the Irish database. See Figure 8 below:

Figure 8

There is evidence of change in value market share for all three types of campaign (a) brand building campaigns (b) brand response campaigns, which seek to build brands and drive sales and (c) direct response campaigns. This directional data again supports the findings of both short-terms and long- terms value share effects within Binet & Field (2013) analysis. See Figure 9 below:

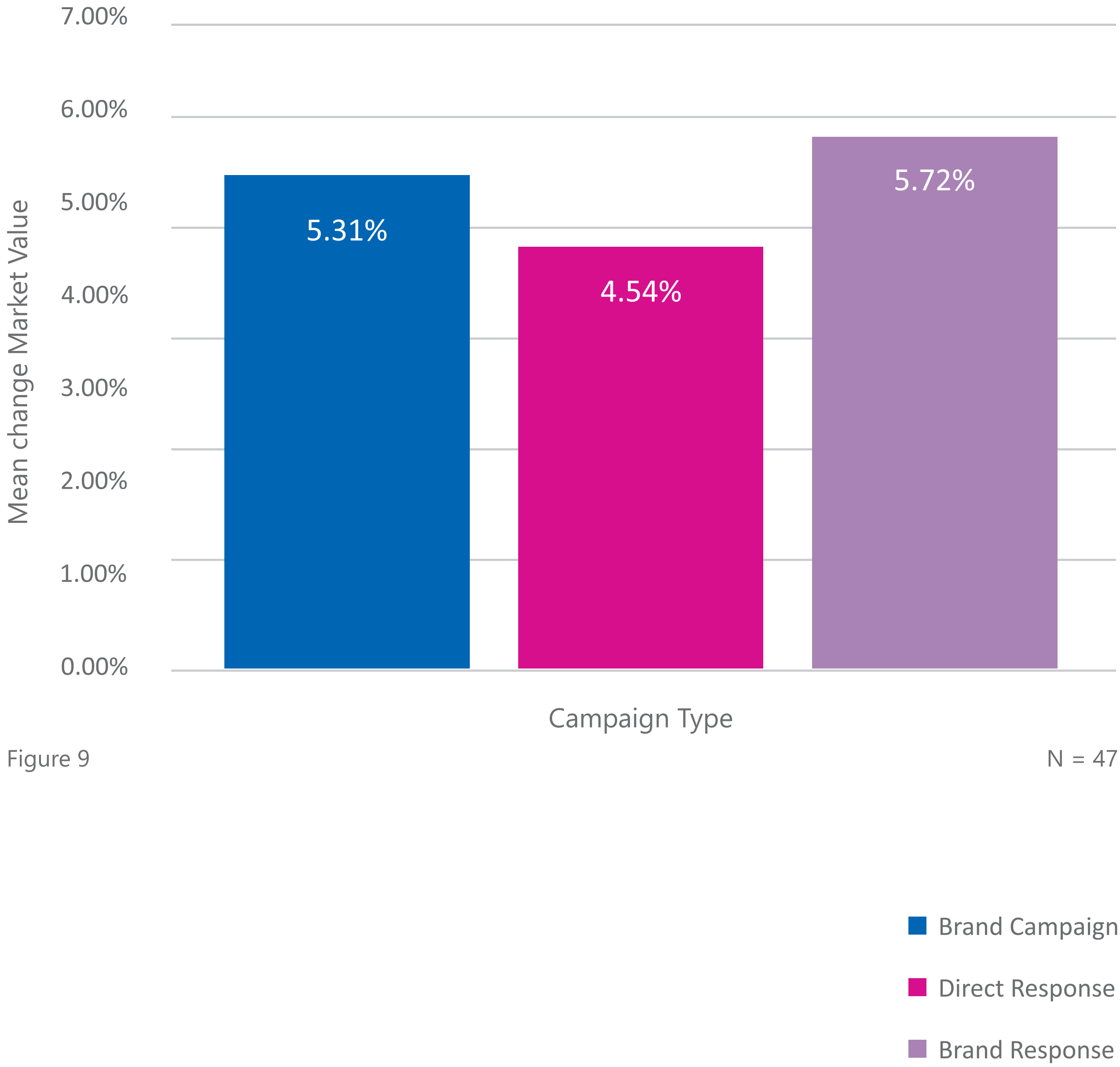


Figure 9

Key Learnings on Advertising Payback:

1. There is evidence that effectiveness award winning cases are related to strong increases in commercial value.

2. There is an average of almost 6% increase in value share across Irish Effectiveness awards winning cases versus around 3% increase in value share in non-winning cases.

3. The average time length of cases in this database is short with 75% at 12 months or under.

4. The data shows directional support for both short-term and long-term campaigns.

5. The data also indicates support for commercial effectiveness of brand, direct response and brand response campaigns in terms of value share.

6. There is a need to provide longer-term data and cases to investigate longer-term commercial effects of advertising; this should be a priority for the marketing and advertising sector.

4. Does Media Investment Pay Back? Evidence.

It is a well-established fact that there is a strong correlation between advertising share-of-voice and share-of-market. This was proven by the Binet and Field (2007) study in the UK. It is encouraging to note that our analysis in Ireland corroborates this relationship.

A cross-sectional analysis of share-of-market versus share-of-voice within the IAPI database showed a 48% correlation for short-term campaigns and was statistically significant at a 99% confidence level. These findings are similar to the UK findings which show a 54% correlation. See Figure 10 below:

Media Investment Strongly Related to Market Value Share

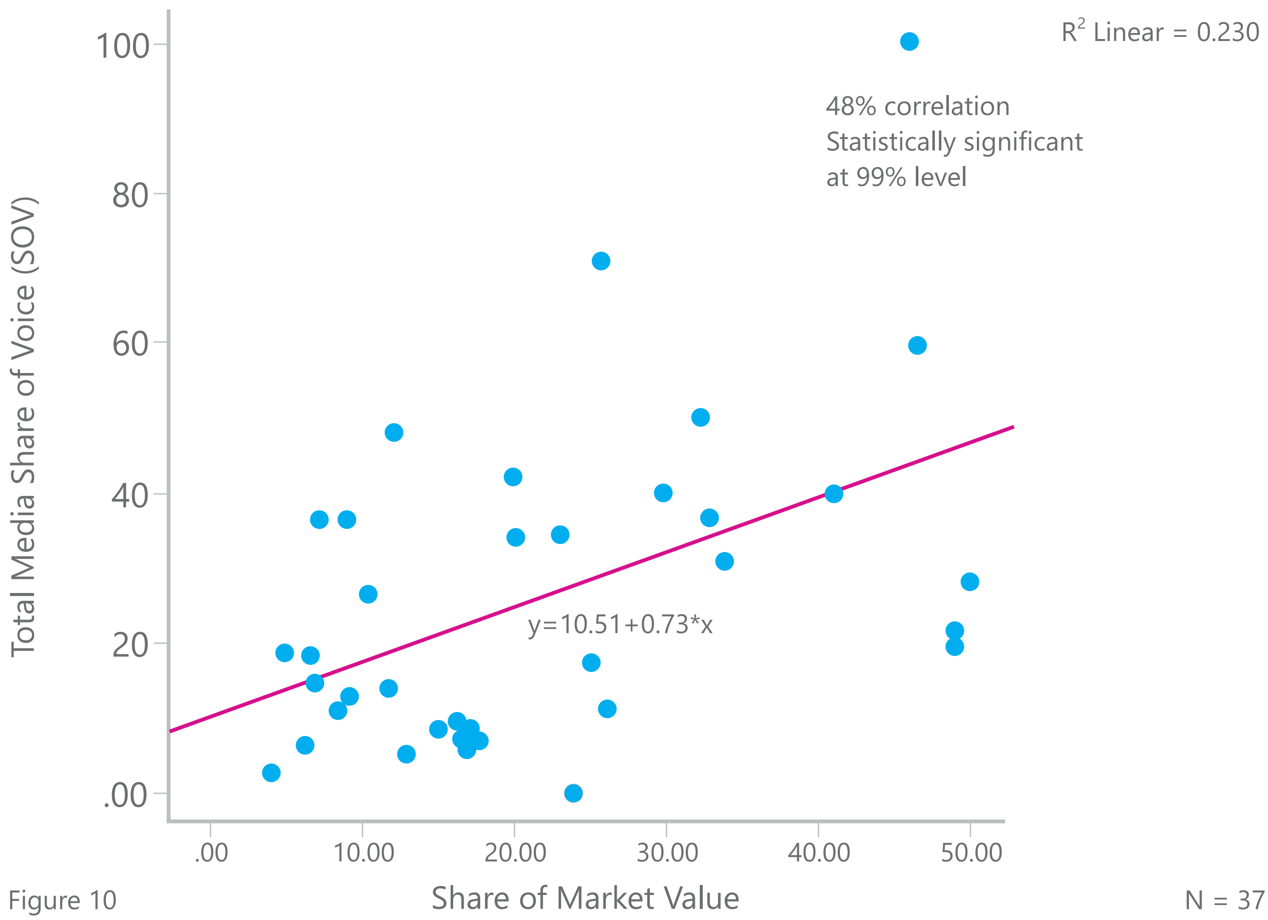


Figure 10

Nielsen ROI AdDynamix All Media advertising expenditure data

ESOV in Irish Effectiveness Data Base

Excess share-of-voice: ESOV is calculated at share-of-voice less initial share-of-market, and compared to average change in market value. (Please note that base size is small: N= 34)

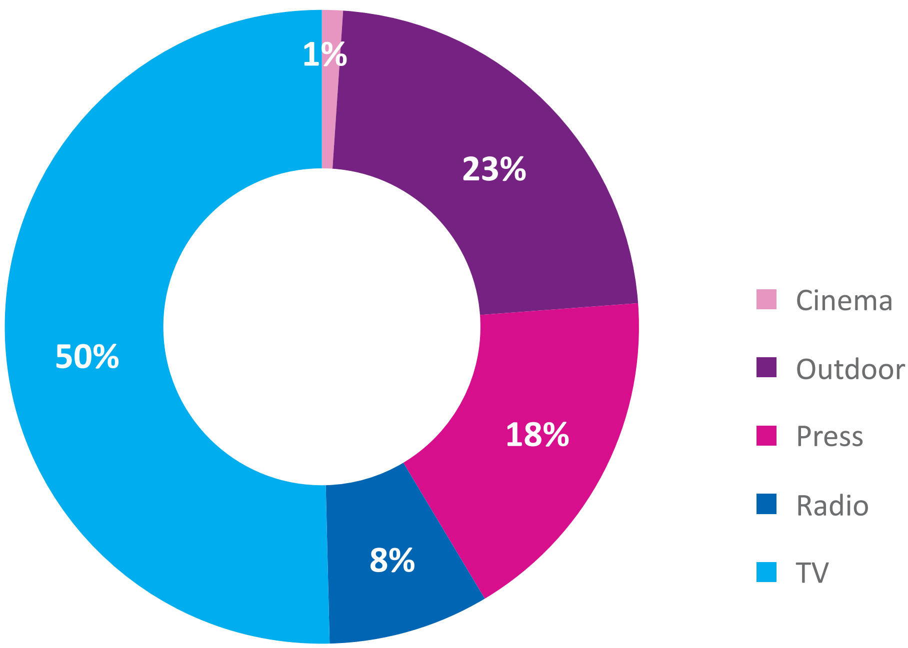
Average ESOV within this data-base was 9.63% and average change in value market share was 5.28%. This is a ratio of 1.8, which is broadly in line with the Binet & Field (2007) finding of 2.2.

This would suggest that these Irish advertising effectiveness cases are roughly doubly as effective, in terms of media investment, as the average advertising campaign (Jones, 1990, Buck, 2001). However in future, analyzing more cases over longer time-frames can provide more powerful evidence of the relationship between ESOV and change in market share.

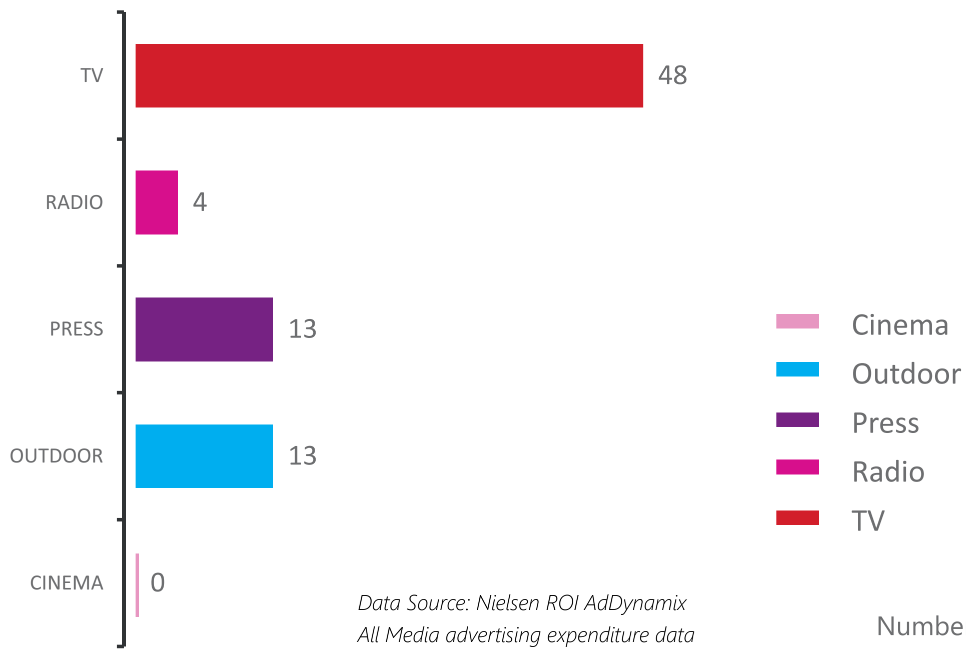
TV was the dominant medium in 48 of the 78 campaigns analysed and accounted for, on average, 51% of the total media spend followed by outdoor 23% and press 18%. See figure 11 (right)

Media Mix 2008 - 2014

Average Split of Media Spend



Dominant Media X Campaign



Data Source: Nielsen ROI AdDynamix
All Media advertising expenditure data

Number of cases = 78

Figure 11

Key Learnings for Media Investment: Database

1. Media investment is significantly correlated with value market share within these cases
2. Share-of-voice being in excess of share-of-market appears to work well as budgeting strategy within this effectiveness database
3. TV was the dominant medium in 62% of the awarded campaigns.

Deep Dive share-of-voice/share-of-market Analyses

As much of the data in the Irish effectiveness cases is based on short-term campaigns, in order to get a longer-term view, we looked at market share data (value share in the majority of cases) for 16 brands across four different categories from 2007 to 2014.

The markets studied were: lagers, supermarkets, premium sliced ham and motors.

Important to note that Ireland went from a boom time in 2007 to bust time in 2008 and recovery only started to happen in 2014.

The results demonstrated a very strong relationship between share-of-voice and share-of-market, demonstrating an 80% correlation, which was statistically significant at a 95% confidence level. See Figure 12 below:

Strong Long Term Relationship between
Share of Voice and Share of Market

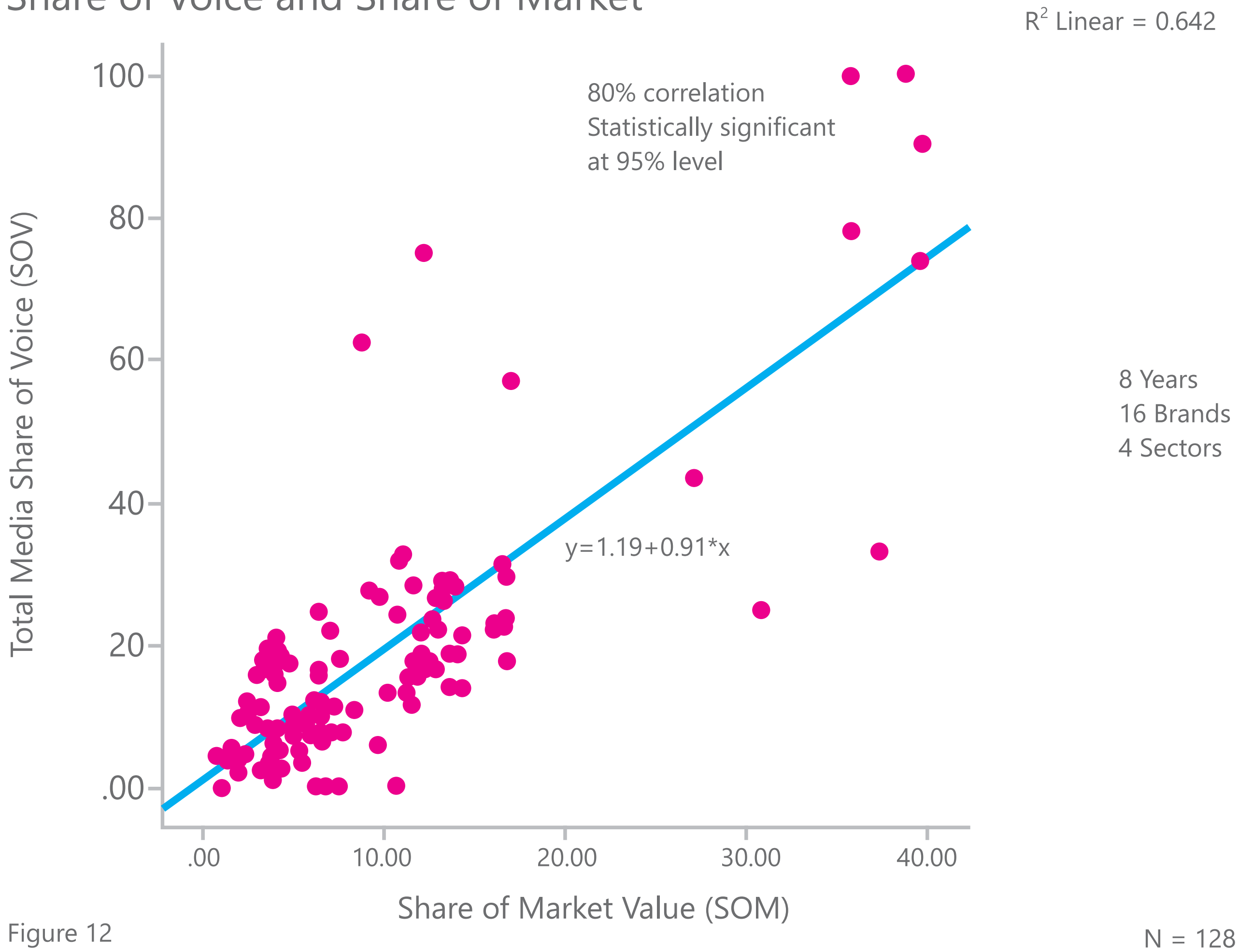


Figure 12

SOV Data Source: Nielsen ROI AdDynamicx All Media advertising expenditure data

If we average share-of-voice and share-of-market over the eight-year period, we get a 93% correlation, which is statistically significant at a 99% confidence level. See Figure 13 below:

The actual data for the four sectors is shown in the following graphs – see Figures 14a, 14b, 14c, 14d following.

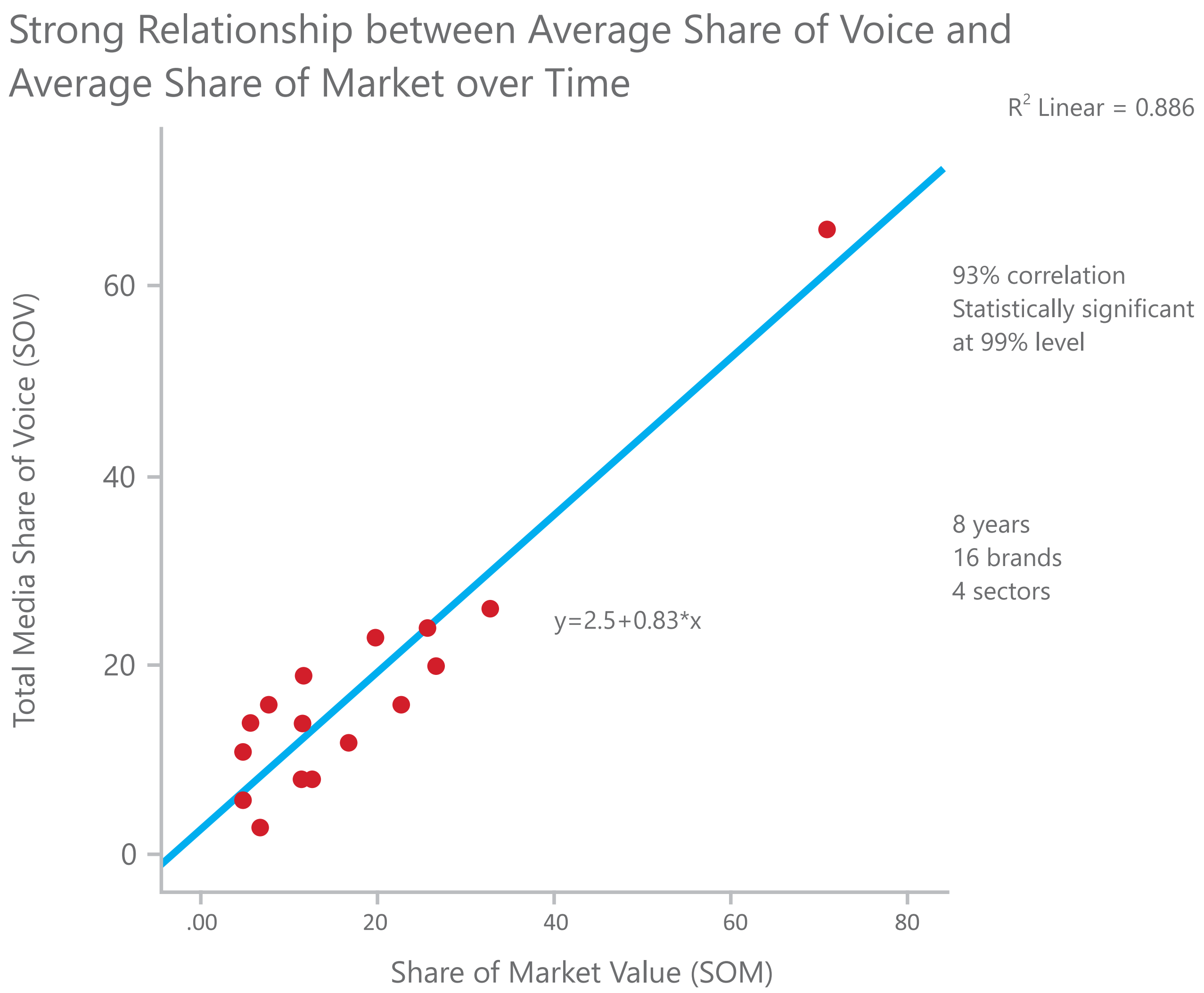


Figure 13 N = 16

SOV Data Source: Nielsen ROI AdDynamicx All Media advertising expenditure data

When we look at these 16 brands over 8 years, we find that there is a 53% correlation between ESOV and change in value market share. This is statistically significant at 99% level and would provide strong evidence for a causal relationship between share of voice and value share of market over time. See Figure 14 below:

Strong Correlation between ESOV and Change in Value Market Share

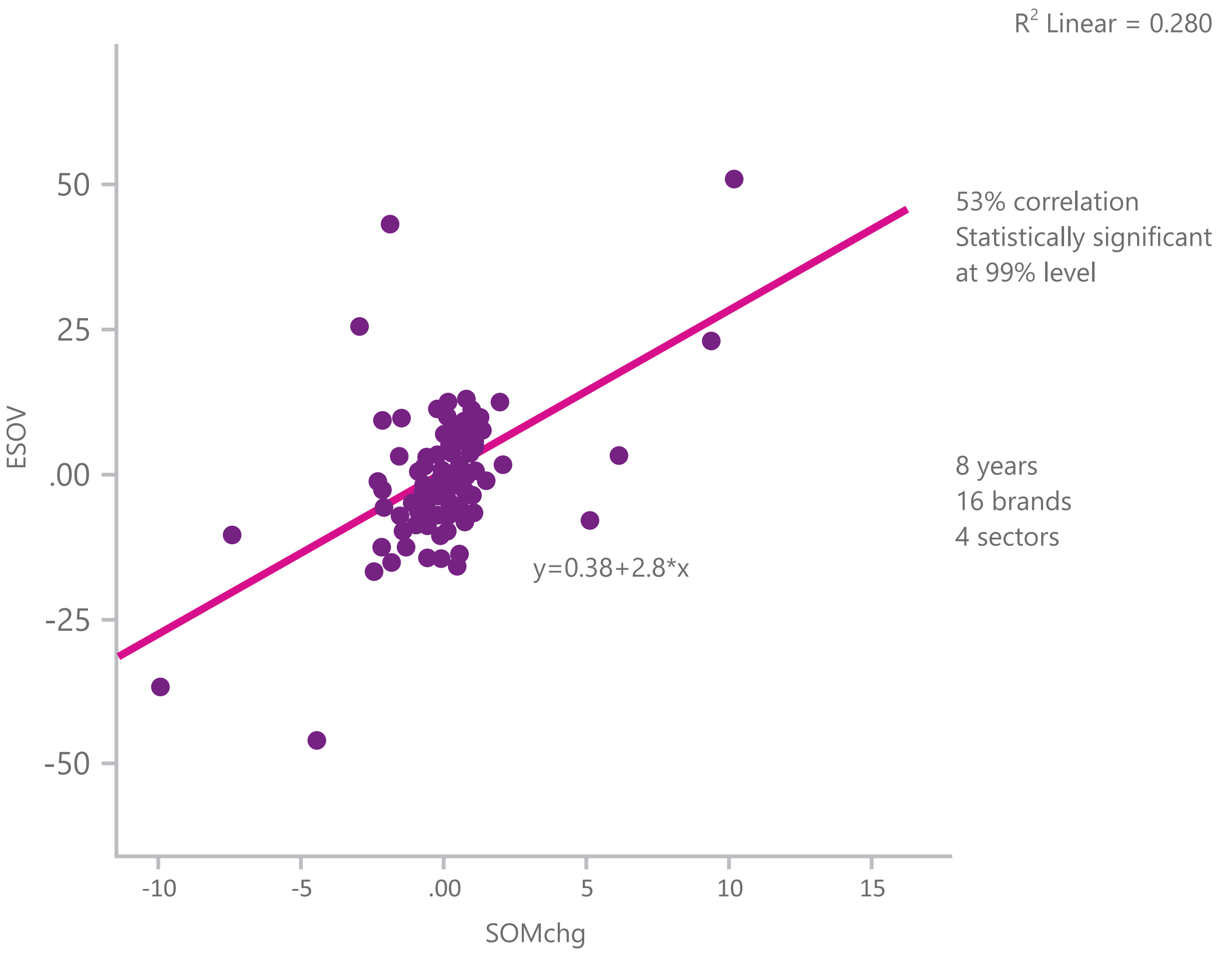
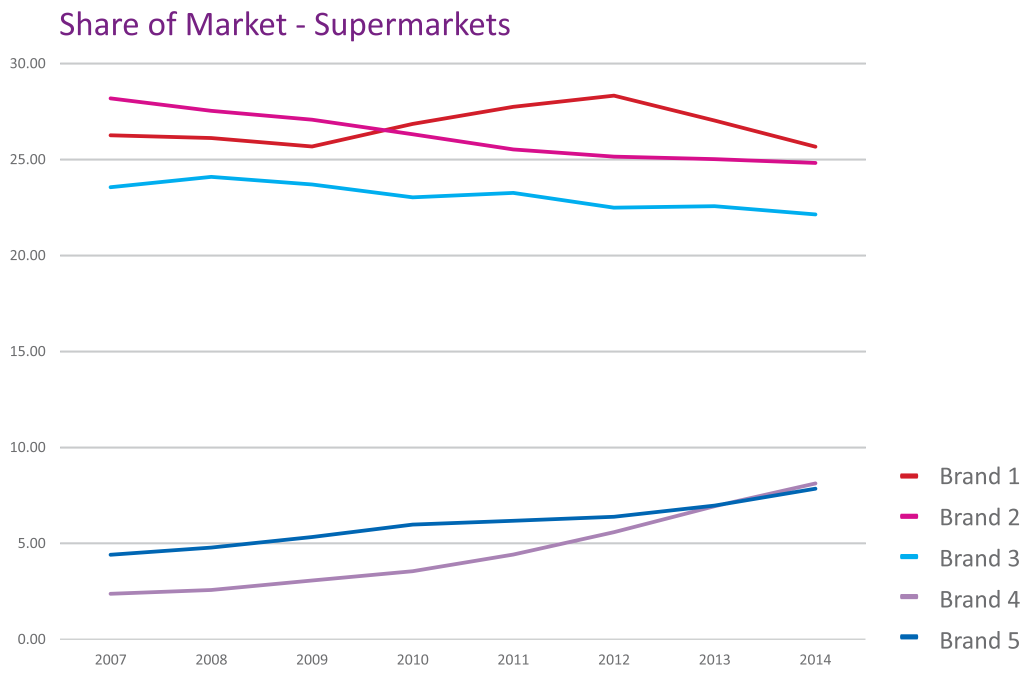


Figure 14

N = 112

SOV Data Source: Nielsen ROI AdDynamicx All Media advertising expenditure data

Supermarkets



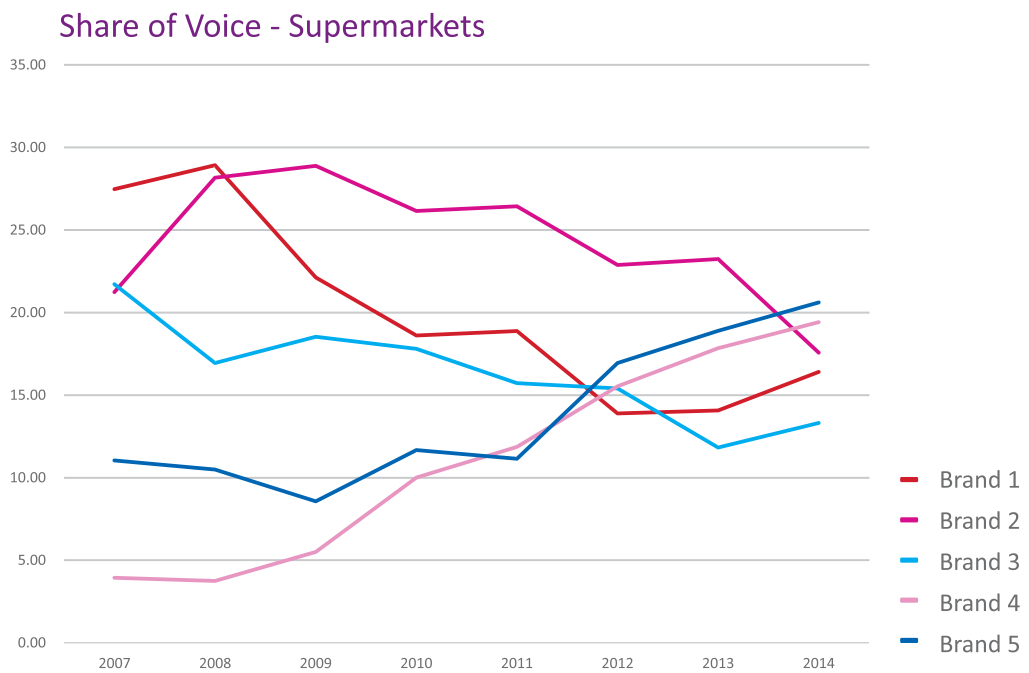
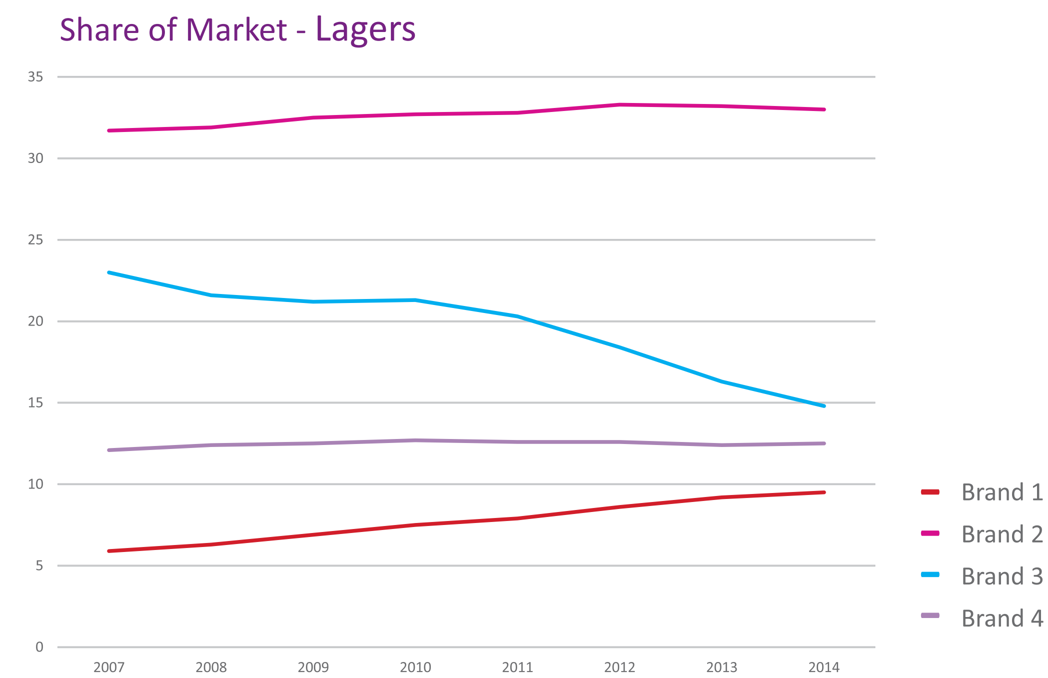


Figure 15a

Supermarkets: SOV Data Source: Nielsen ROI AdDynamix All Media advertising expenditure data
SOM Data Source: Kantar Worldpanel Monthly Retailer Share 2007-2014 Total Take Home Grocery

Lagers



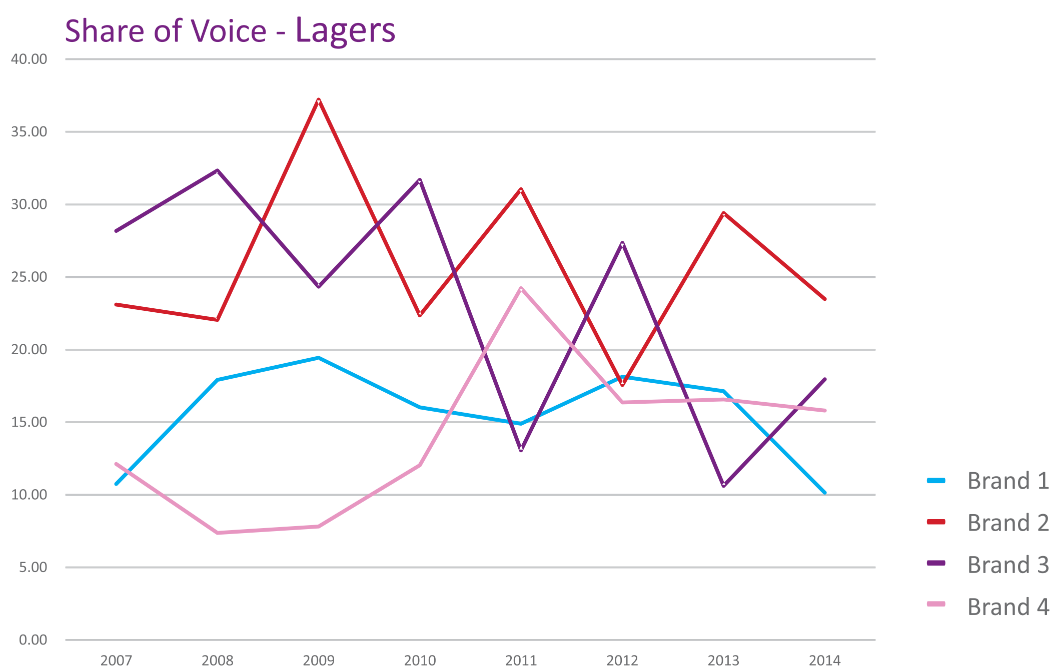
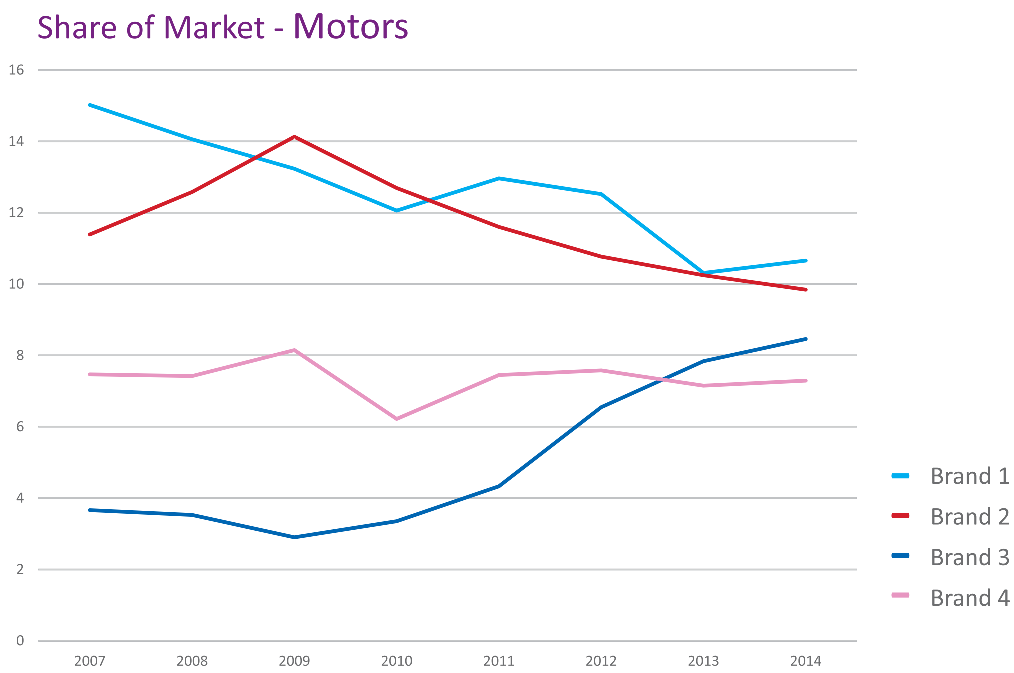


Figure 15b

Lagers: SOM Data Source: Nielsen Retail Sales Alcohol Value Share data 2007-2014 (Lager)
SOV Data Source: Nielsen ROI AdDynamix All Media advertising expenditure data

Motors



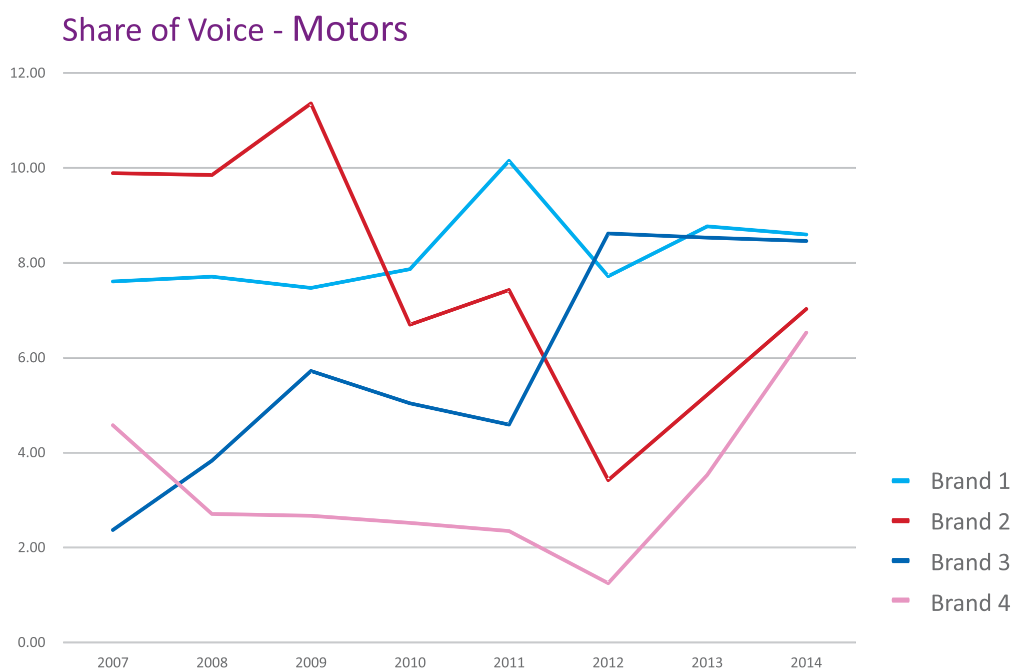
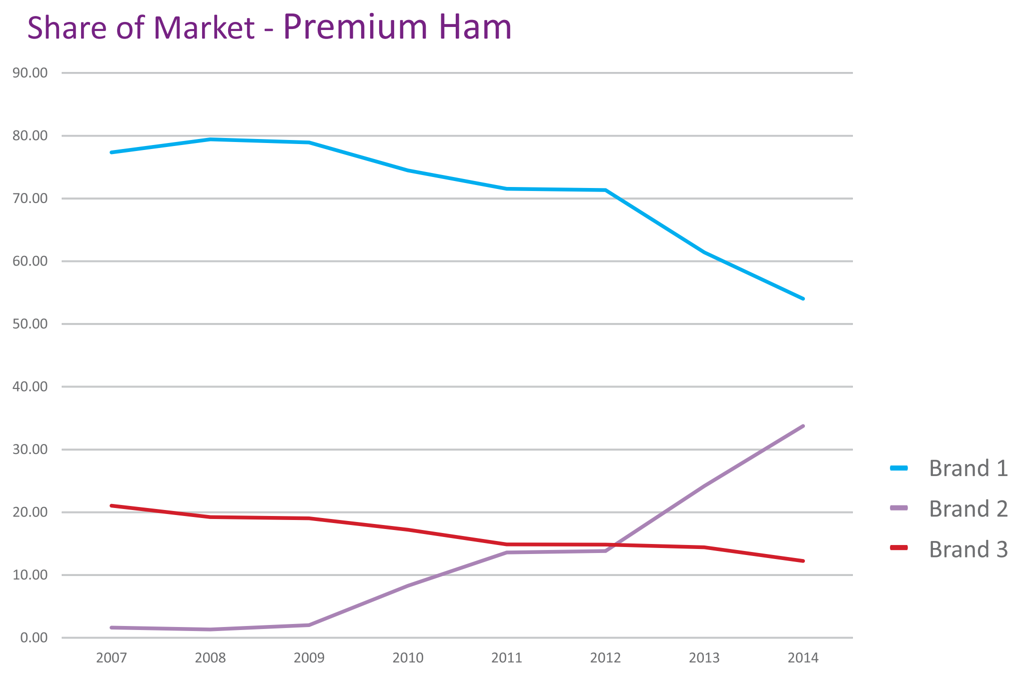


Figure 15c

Motors: SOV Data Source:Nielsen ROI AdDynamix All Media advertising expenditure data
SOM Data Source: SIMI: Motorstats : New car registrations 2007-2014

Premium Ham



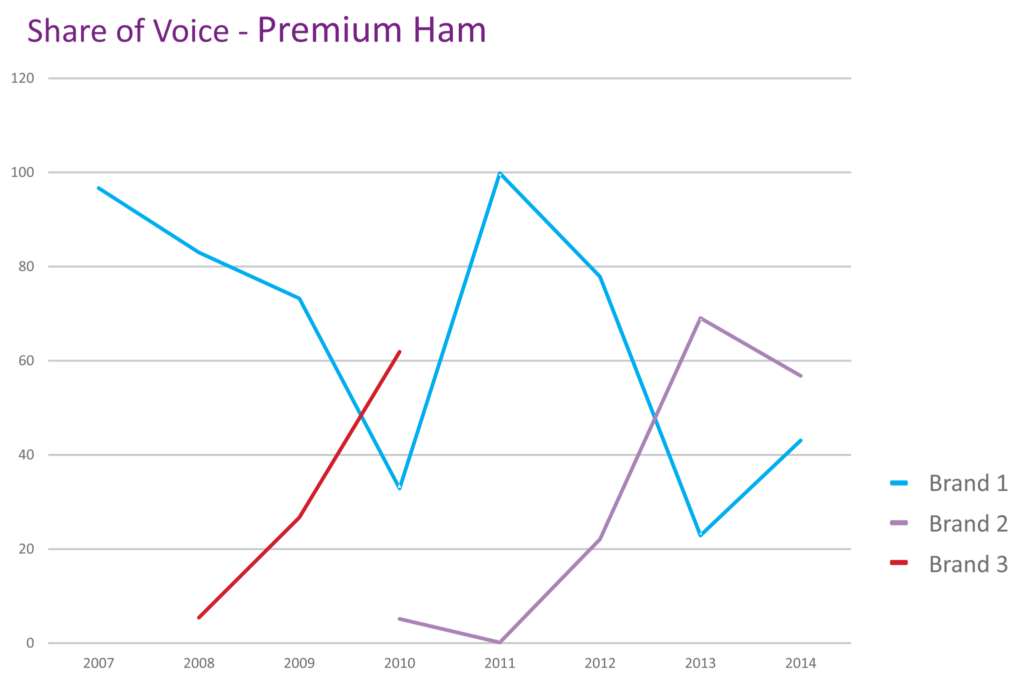


Figure 15d

Premium Ham: SOM Data Source: Nielsen Total Scantrack FMCG Retail Sales Share data 2007-2014 Sliced Cooked Meet Category (excluding White Meat)
SOV Data Source: Nielsen ROI AdDynamix All Media advertising expenditure data

Deep Dive: Key Observations for Investment and Budgeting

The main observations for media investment and budgeting are shown in Table 3 below:

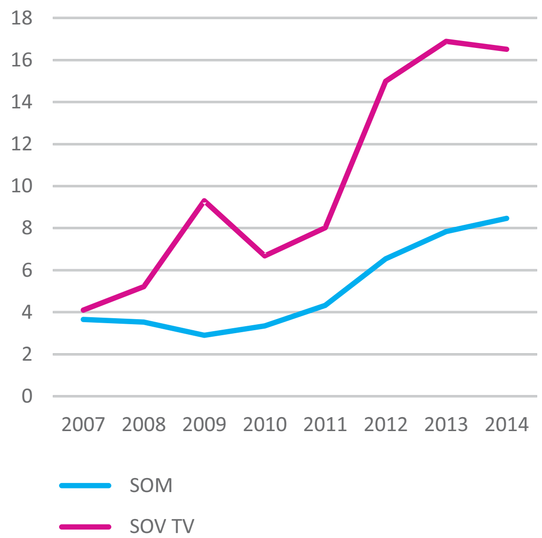
Brands that lost more than 1% share over the 8 year period:	Brands that maintained market share over 8 years:	Brands that grew in excess of 1% over the 8 year period :
Tended to be the No. 2 or 3 in the market	Either a strong No.1 in the market, or strong position in a highly fragmented market	Mostly came from the No.4 or 5 market position
Lost on average 7% market share over the period	Held market share over period	Grew on average 10% market share over the period
SOV was less than their SOM	SOV was just marginally below their SOM	SOV exceeded SOM
Some had inconsistent spending strategies over the period	Consistent budgeting strategy over the 8 year period	Consistency of budgeting strategy

Deep Dive: Specific Observations on Different Media

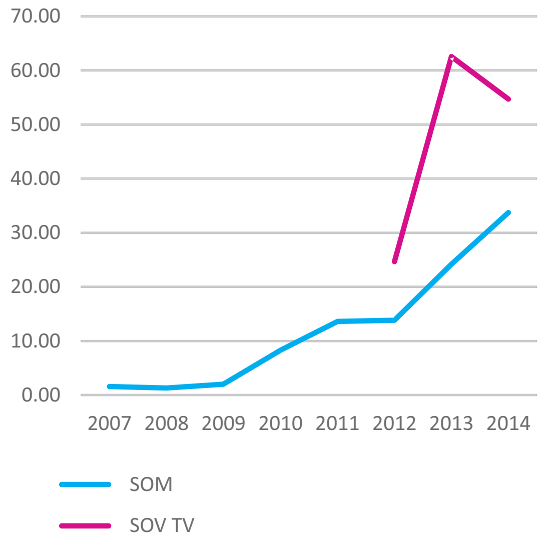
Analysis over the eight years demonstrates that investing in TV share-of-voice is related to share-of-market for challenger brands (see figure 16 on the right)

The role of TV with the challenger brands

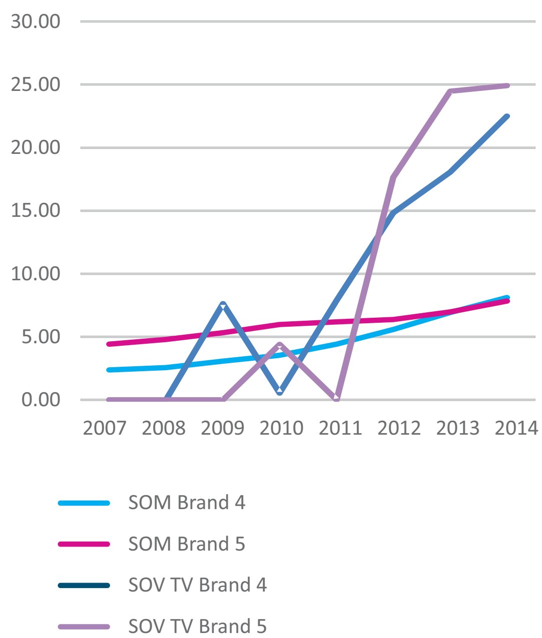
Motor Challenger brand



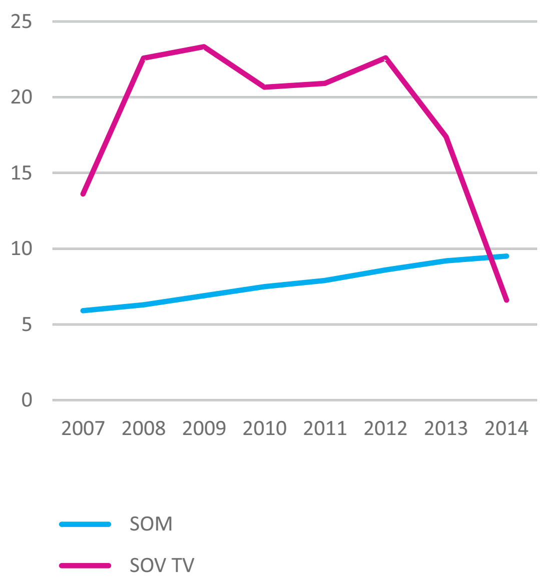
Ham Challenger brand



Supermarket Challenger brand



Lager Challenger brand



SOM Data source: Kantar Worldpanel Monthly Retailer Share, Nielsen Retail Sales Alcohol, SIMI: Motorstats, Nielsen Total Scantrack FMCG Retail Sales
SOV Data Source: Nielsen ROI AdDynamix All Media advertising expenditure data

Figure 16

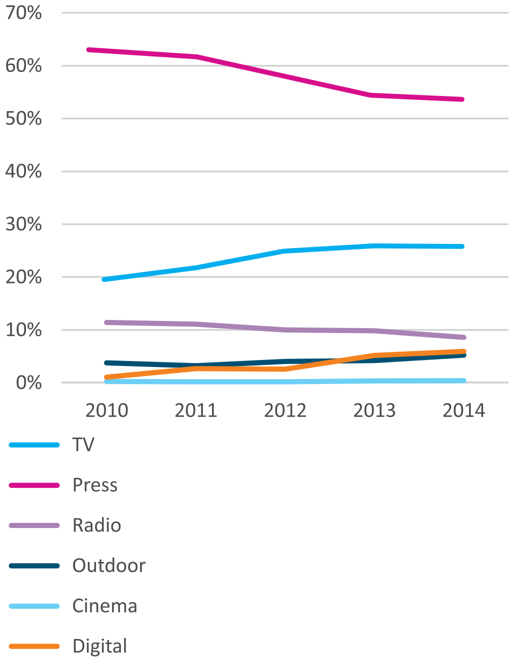
For the purposes of media comparison, we obtained digital investment data from IAB to investigate the category mix. This is only available from 2010 and involves combining data from different media sources. The relative role of different media in the overall mix in these four sectors in shown in Figure 17 (right)

This is an area that will need more focus for measurement and evaluation in future IAPI meta-analysis. However, below are some observations from the IAB data:

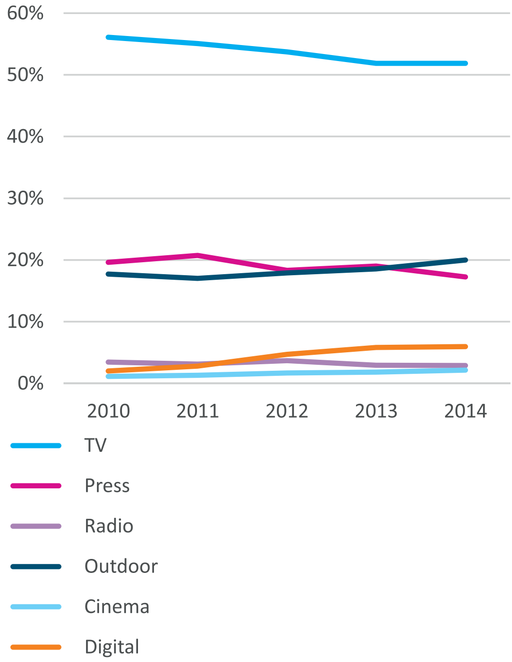
- The presence of digital on schedules is increasing
- It is now quite a significant spend in the motor and alcohol sectors accounting for more than 15% of total spend for both categories in 2014
- The growth in digital activity appears to be matched by a growth in TV spend in the four categories observed

Change in category Media mix

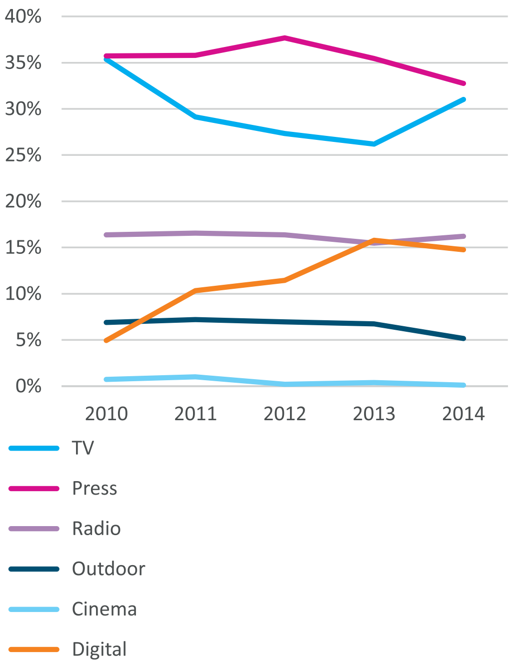
Retail



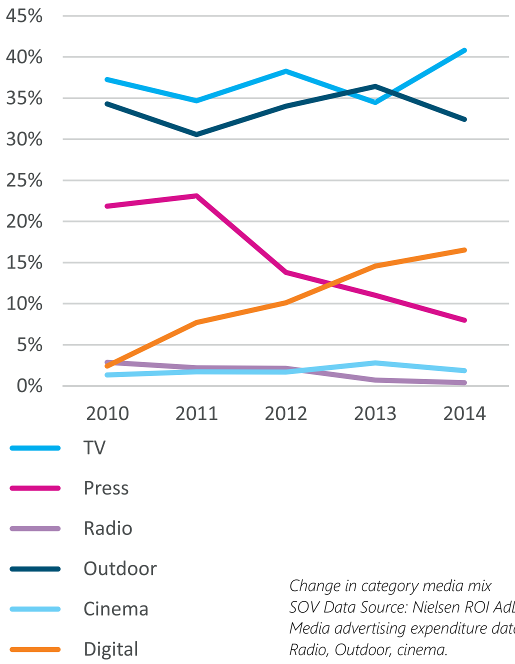
FMCG



Motors



Alcoholic Drinks



Change in category media mix
SOV Data Source: Nielsen ROI AdDynamix All Media advertising expenditure data – TV, Press, Radio, Outdoor, cinema.
Digital data source: IAB /PWC Digital spends

Figure 17

Key Learnings for Media Investment: Deep-Dive

The budgeting implications for brands trying to build market share are:

1. The budget should be based on the Share-of-voice being in excess of the share-of-market.
2. A long- term consistent approach works best
3. This approach works across multiple categories regardless of the economic climate
4. However, other factors to consider on brand-by-brand basis (Binet & Field, 2007):
   - (a) the size of the brand relative to the market: brand leaders can afford to spend/invest less than small brands
   - (b) the importance of media as a source of competitive advantage versus other marketing mix elements (e.g. customer service, product innovations etc).
5. It will be important to continue to do long-term and econometric analyses of the role and effectiveness of media mix over time, especially in understanding the contribution of digital to the overall mix.

Growth depends on share and excess SOV

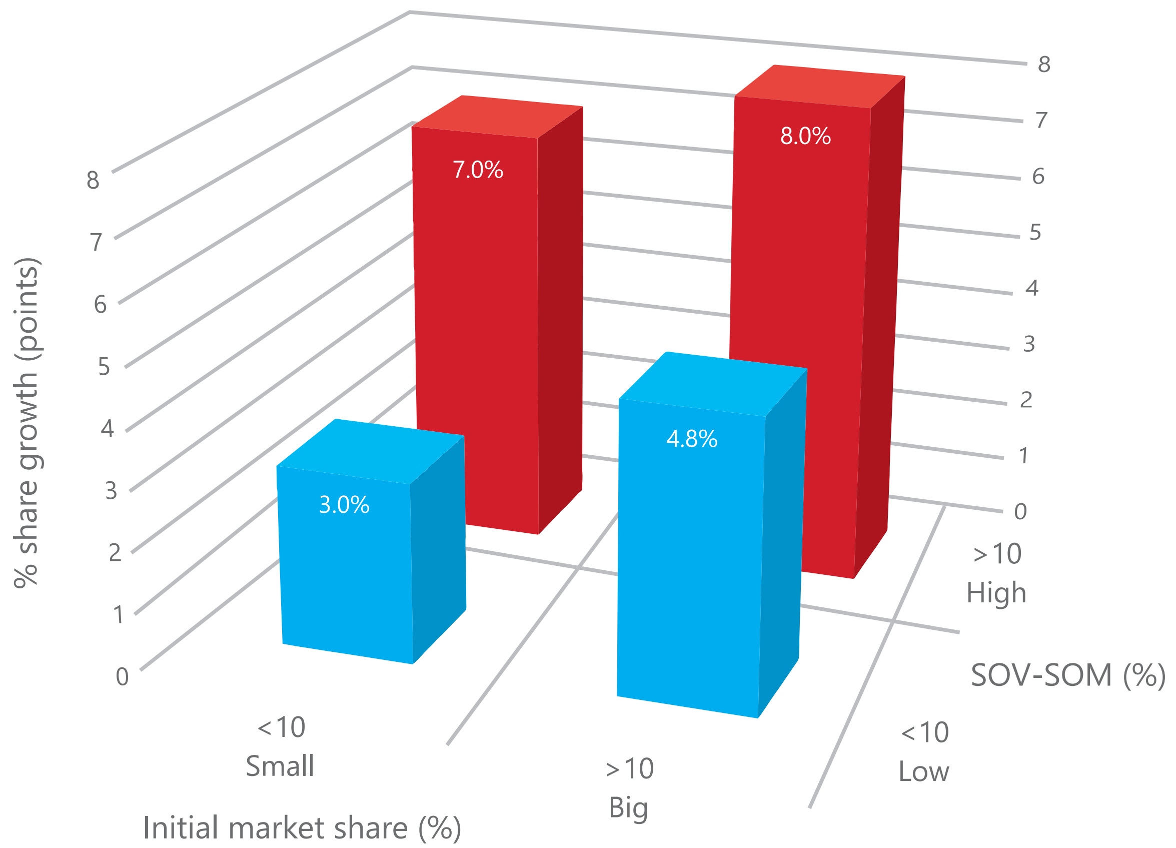


Figure 18

Source: Binet & Field, 2007

5. Does Creativity Pay Back? Evidence.

Creatively awarded campaigns are more efficient than non-creatively awarded campaigns by around ten times. This is based on campaigns that received creative awards from ICAD, Kinsale Sharks and Cannes over this period. This is directionally in line with the 10 times efficiency multiplier found by Binet and Field (2013) in the IPA database. See Figure 19 below:

This is not a statistically significant difference due to the relatively small base size. However it is important to note the small base size of 39 (14 creative versus 25 non-creatively awarded) and the shorter time frames of the overall campaigns versus the IPA database. Hopefully this will become statistically significant evidence as the database size and campaign time lengths included both increase from 2016 onwards.

It will be important to continue to measure and evaluate the commercial effects of creativity in an Irish context moving forward, as this is an important metric to underpin the value of Irish agencies' creativity to their clients' business.

In addition, as we build the database, it might be possible to evaluate the relative merits of specific creative strategies and models of advertising (for example Binet & Field, 2013, Feldwick, 2014) and add to the global empirical evidence for these different creative strategies.

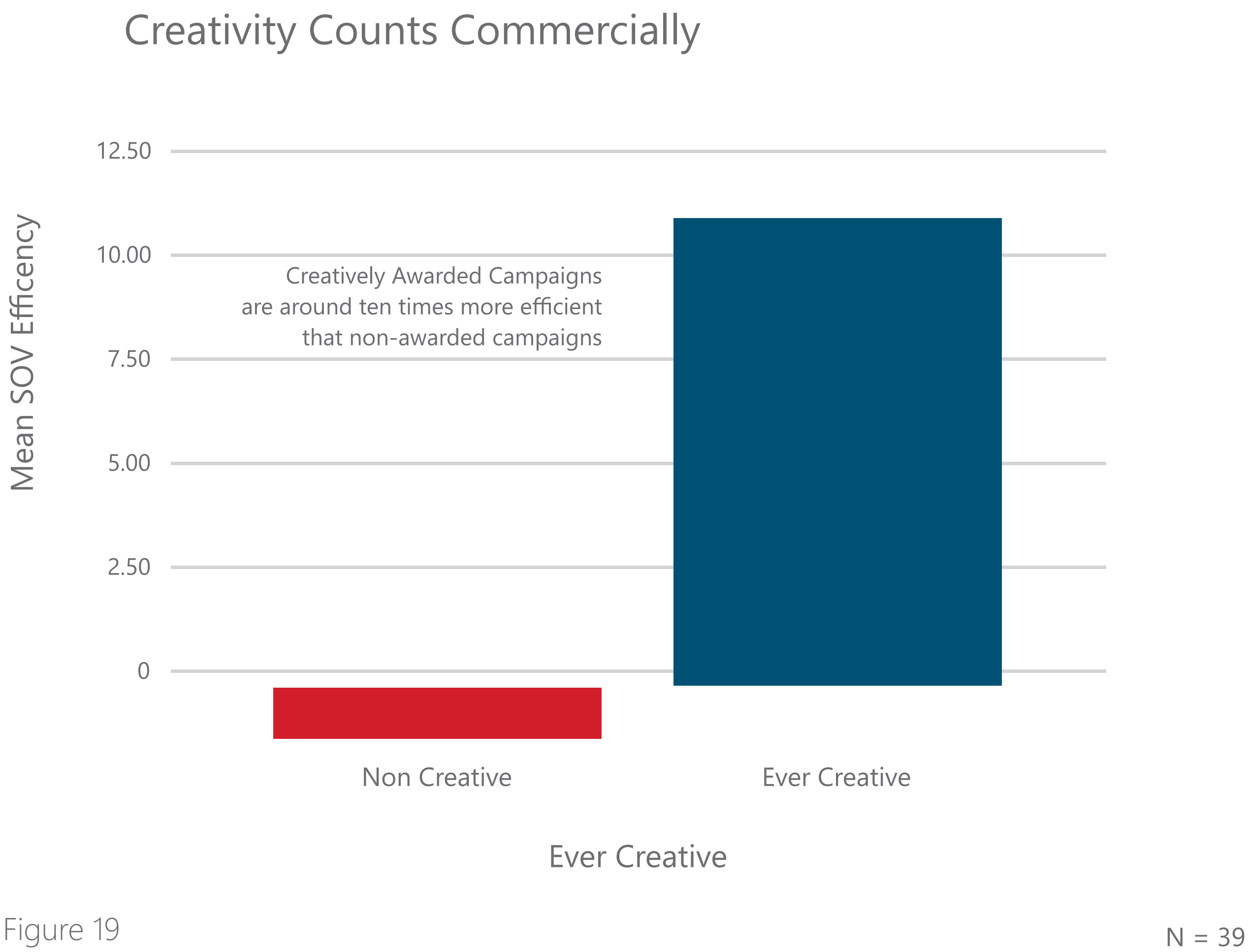


Figure 19

6. In Summary

This meta-analysis provides a 'line in the sand' for the Irish marketing /media community. It gives us more confidence that best–practice marketing in Ireland is in line with best practice globally. It gives us more confidence that Irish agencies and media are delivering commercial value to clients and brands.

This meta-analysis of these 106 cases studies demonstrates a relationship between investment in advertising and increases in value market share. Value market share is a powerful metric to demonstrate the commercial return of advertising and it can be a strong metric that can be understood by CEO's and CFO's.

1. **The IAPI AdFx awards are related to strong increases in commercial value.**

   There is an average of almost 6% increase in value share across Irish effectiveness awards winning cases versus around 3% increase in value share in non-winning cases. This equates to a value share gain of 0.8% versus 0.5% per month.

2. **There is a strong relationship between media spend and market share in the IAPI database**

   In addition, there is a very significant relationship between media spend and share-of-voice across top brands in four sectors over eight years from 2007 to 2014.

3. **There is directional support for creativity (as measured by creative awards) in delivering around 10 times higher levels of campaign SOV efficiency**

   This is directionally in line with the 10 times efficiency multiplier found by Binet and Field (2013) in the IPA database. Bearing in mind - (a) the limited inclusion of creative awards (b) the time–frames of the campaigns and (c) small base size of 39, this is something to build our collective trust in the commercial value of Irish creativity.

7. Next Steps

These results should help provide the ammunition to earn marketing more 'share-of-voice' within the boardroom.

There are some of the key steps that can help clients and agencies build collective confidence in the commercial case for marketing and advertising investment.

1. Continue to share and workshop these findings & implications; for example the TAM Ireland Event where this report was launched (September, 2015)

2. Strengthen the focus in 2016 AdFx awards on cases that demonstrate **long-term** commercial effectiveness of brands and advertising in Ireland (for example Bulmer's, Barry's Tea, VHI, Bord Gais etc)

3. Stronger financial input and debate around the 2016 AdFx awards (for example CFO on AdFx judging panel, independent audit of financial workings in cases, CFO sign-off of cases?)

4. Commit as an industry to continually updating this database combined with continued meta-analysis and broad business debate in 2016.

5. Incorporate a data questionnaire in the AdFx entry process, which allows IAPI to collect and analyse future data and commercial payback patterns.

6. Annual effectiveness conference run by IAPI with other marketing and advertising bodies where individual planners and analysts share 'best-practice' findings in effectiveness.

8. Final Thoughts

The value and commercial payback of marketing and advertising is something that is relevant to every client, agency and media owner.

Effectiveness is what Steven Weber (2004) has called a 'pre-competitive' issue, where it is in the interest of each player to advance the evidence, learning and value of all players.

Commercial creativity needs to be explicitly at the centre of what marketing delivers to business and what the advertising sector delivers to marketing.

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