

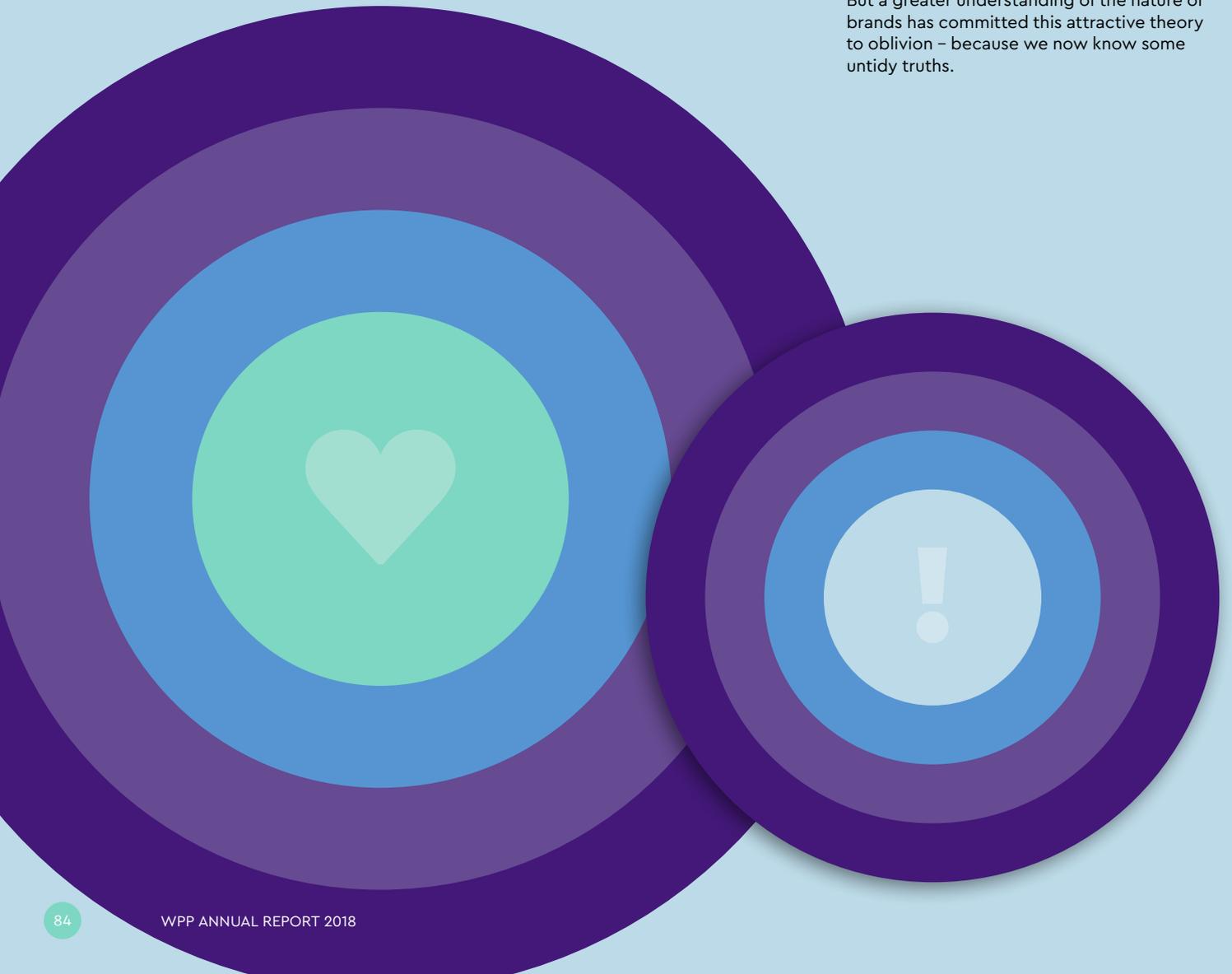
£6BN OF OTHER PEOPLE'S MONEY: THE WATERTIGHT CASE FOR BUILDING YOUR BRANDS

BY JEREMY BULLMORE

Since the birth of modern brand marketing, marketers have debated one specific question: for maximum efficiency, what proportion of their marketing expenditure should be allocated to achieve an immediate sales effect; and what proportion to protect and enhance a brand's long-term profitability?

An innocent person, addressing this question, might be puzzled. Surely the answer is obvious? After all, the long-term is nothing more complicated than an extension of the short-term. Keep getting the short-term right – and, hey presto, the long-term solves itself. *Next!*

But a greater understanding of the nature of brands has committed this attractive theory to oblivion – because we now know some untidy truths.





Short-term and long-term targets are different in kind; can be best achieved through different media; demand different forms of creativity; differ greatly in their susceptibility to research; and while one may benefit volume growth, the other is more likely to maximise profitability. Between them, these imbalances make comparisons difficult – so the allocation of resources to each may fall well below the optimal.

These highly significant findings – and many more – are derived from a report first published six years ago. Today, its lessons deserve even more urgent attention.

The report is called *The Long and the Short of It: Balancing Short and Long-Term Marketing Strategies*. It was written by Les Binet and Peter Field for the UK's Institute of Practitioners in Advertising (IPA) and their source material was the world's most comprehensive library of provenly effective advertising campaigns: the IPA Effectiveness Databank.

At the time of the report, the Databank held data from 996 campaigns that had been entered in the biennial national and international effectiveness competitions between 1980 and 2010. The data contained in each of those case studies had been confirmed and formally endorsed by their respective clients. An additional data source was the Gunn Report, a record of advertising campaigns that had won at 46 major creative competitions around the world and the closest approximation that exists to an objective ranking of that elusive quality called creativity.



Vocabulary can be confusing, particularly when discussing the long-term role for advertising. Andrew Ehrenberg called for *salience*, others call for the creation of brand *fame*. The authors of *The Long and the Short of It* call the short-term function *activation* and the long-term, *brand-building* – so we'll stick with those; though it may be helpful to think of activation as *effecting an immediate sale* and brand-building as *creating and maintaining saleability*.

Before the internet, activation was achieved mainly through the use of coupons in the press and telephone numbers. Today, online techniques offer equivalent opportunities: their function is the same and so are their advantages. They are simple to understand; you can pre-test them easily and cheaply; and their pay-back value can be instantly assessed. But the evidence is clear: activation-only campaigns do little or nothing to enhance the overall desirability of a brand. Indeed, some promotions, in particular price promotions, may actually cheapen a brand in the minds of its potential users.

Successful brands, as every bit of evidence shows, need both activation and brand-building. Of the two, brand-building (or brand-nourishment) campaigns are usually the more valuable – but also by far the more difficult to create, to explain, to test and to measure. Activation campaigns are usually rational and fact-based. By contrast, the most successful brand-building campaigns are low on fact but high on emotion. They seldom take immediate effect but over time build and refresh an emotional bond between a brand and its public. They may take the form of a creative idea which seems not directly pertinent to the brand or its function. They are fiendishly difficult to pre-test – and it may be many months before there's any hard evidence of their return on investment.

The creation of such campaigns is the ultimate test of any advertising agency. They cannot be conjured up by algorithms, bots or even management consultants. They require a deep understanding of both brands and human beings – with an added pinch of inexplicable imagination. The media that serve them best are the big, broad, public media.

At a time when there's so much emphasis on the achievement of quarterly targets, monitored by metrics, obtaining approval for such campaigns has never been more difficult; and that's why *The Long and the Short of It* is an even more imperative document than it was in 2013.

Let's now return to those 996 advertising campaigns that were forensically dissected by the authors of the report.

- Between them, over that time period, they spent an estimated total of £6 billion on media exposure.
- That expenditure delivered an estimated total Return on Marketing Investment (ROMI) of 211 per cent – or £23.2 billion.
- Emotional campaigns were more than twice as efficient as rational ones.
- Creatively awarded campaigns, as identified by the Gunn Report, were almost twice as likely to generate positive results as non-awarded campaigns.

They delivered sales, yes; but even more importantly, these campaigns delivered buoyant brands, more resistant to competitors' price inducements and confident in their future.

To commit, say, 60 per cent of your marketing budget to advertising designed to build, nourish, sustain, protect and advance your most valuable assets shouldn't have to be an act of faith. History – and 6 billion pounds' worth of evidence – are unequivocally on your side.

Many thanks to the IPA for their permission to quote so liberally from *The Long and the Short of It* and for their help in the preparation of this essay. Any errors and omissions are mine; not theirs.

Two other reports from the IPA have followed *The Long and the Short of It*, both of them highly recommended: *Media In Focus*, *Marketing Effectiveness in the Digital Era*; and *Effectiveness in Context, A Manual for Brand Building*.