



The crisis in creative effectiveness

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Foreword

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For almost 10 years I have been a passionate and vocal advocate, around the world, of the power of creativity.

The findings of my first 2010 report on the link between creativity and effectiveness are still regularly being used to convince businesses to invest in creativity. In the 2016 report update, I warned there were signs that creativity was losing its effectiveness advantage because it was increasingly being misused. At the Cannes Festival the same year, I observed that if we didn't address the problem, then within four years we would have little to show to convince general management that investment in creativity was a growth driver rather than simply 'non-working' budget.

Three years later and this is the report I hoped I would never have to write.

The misuse of creativity has continued to grow and the effectiveness advantage has continued to decline. Creatively awarded campaigns are now less effective than they have ever been in the entire 24-year run of data and are now no more effective than non-awarded campaigns. We have arrived in an era where award-winning creativity typically brings little or no effectiveness advantage. Creative best practice is currently being overwhelmed by poor practice, and yet there are still campaigns showing how it *should* be done and delivering impressive effectiveness as a result.

This report is a final wake-up call for good sense, before it is too late. It identifies the problems and provides a clear road map to restore the power of creativity; best practice is not difficult to implement. I urge everyone who

values creativity, as I do, to study this report and act on it, especially those with the power to change how creativity is commissioned, deployed and judged. We cannot afford to go on being complacent; already one recent survey of CMOs reported a strong belief that creativity is now irrelevant in the data-driven age. **We have been warned.**

About the author

Peter spent 15 years as a strategic planner in advertising and has been a marketing consultant for the last 22 years. Effectiveness case study analysis underpins much of his work, which includes a number of important marketing and advertising texts: *Marketing in the Era of Accountability*, *The Long & The Short of it*, *Media in Focus*, *Brand Immortality*, *The Link Between Creativity and Effectiveness*, *Selling Creativity Short*, *Why aren't we doing this?* and chapters in *Eat Your Greens* and the *Sage Handbook of Advertising*. His latest work, in partnership with Les Binet – *Effectiveness in Context* – was published in October 2018. He was also a contributor to the Wharton Future of Advertising Project. Peter writes and speaks regularly around the world about marketing effectiveness. He is an Honorary Fellow of the UK Institute of Practitioners in Advertising.

Janet Hull OBE
Director of Marketing Strategy, IPA



It is timely that this latest iteration of our IPA Databank series on the topic of creativity and effectiveness is being launched at the Cannes Festival of Creativity since the messages it delivers have wide relevance not just to advertising strategists and planners but also to brand owners, creative departments, creative award winners, juries and organisers. In essence, as Peter Field demonstrates so convincingly, the correlation between creativity and effectiveness, and between creativity and efficiency, is weakening. This is not because the rules of creativity for brand building have changed, but rather that they are not being applied in the right measure, through the right channels, at the right time. Just as in the wider marketing planning process, creativity is becoming a victim of short-termism. Peter's rallying cry to the industry should not be overlooked.

Executive summary

This report identifies a serious declining trend in the effectiveness of creatively awarded campaigns over the last 10 years.

- 1 Creatively awarded campaigns are now less effective than they have ever been in the entire 24-year run of data, and are now no more effective than non-awarded campaigns.
- 2 This collapse in effectiveness can be explained largely by the shift to short-term activation-focused creativity and the strategic and media trends this has promoted.
- 3 We have known for many years that creativity delivers very little of its full potential over short time frames, yet the trend to short-term, disposable and, ultimately, inefficient creativity continues.
- 4 This could be simply remedied by learning from creative best practice. High-performing creatively awarded campaigns are *eight* times more effective than their low-performing peers, in terms of the number of business effects they generate, and almost 16 times more likely to bring major profitability growth.

High performers are defined by:

- A more balanced approach to short and long-term objectives
- The maintenance of the campaign in market long enough to embed behavioural change: at least six months typically
- Broader, earlier targeting of consumers rather than data-driven real-time communications linked to purchase intent
- Greater use of broad-reach brand building media, especially TV but also online video and OOH
- A balanced allocation of media expenditure between brand building and sales activation in line with latest best practice guidelines

“ This report identifies a serious declining trend in the effectiveness of creatively awarded campaigns over the last 10 years. ”

Introduction

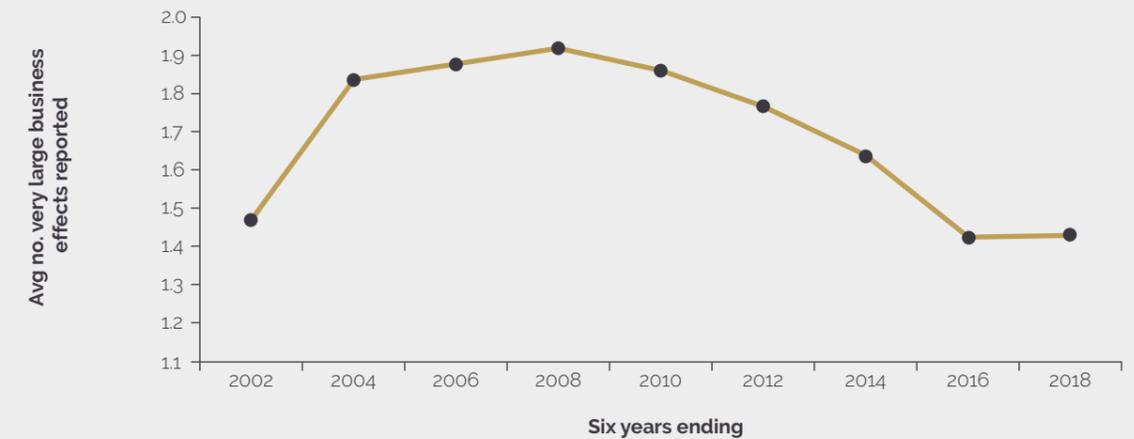
Three years have passed since the previous report in this series, *Selling Creativity Short*, was published. It was based on IPA and Gunn Report data to 2014 and identified a serious declining trend in the effectiveness of creatively awarded campaigns.

We now have two new waves of case study data from 2016 and 2018 to add to the analysis, giving us a full 24 years of data covering almost 600 case studies, 121 of which picked up major creative awards worldwide at the 46 top creative shows monitored by the Gunn Report (now part of WARC Rankings).

What has emerged from this is bleak indeed. Awarded campaigns are now less effective than they have ever been in the entire 24-year run of data and are now no more effective than non-awarded campaigns.

This report will reveal what has happened to creative effectiveness and identify how the changing nature of the campaigns that are now given creative awards has had repercussions on their effectiveness.

Figure 1
The declining effectiveness of creatively awarded campaigns



Source: IPA Databank, 1998-2018 creatively awarded cases

Historically, creativity has been the single most important tool we can harness to boost effectiveness. The evidence of this link has been very strong, with enormous effectiveness multipliers evident for the most creative campaigns. So it really matters that this link is now critically weakened and perhaps broken. With creative effectiveness at a 20-year low and delivering increasingly little advantage, we need to understand why this has happened and what we need to do to put things right.

In fact, putting things right is perfectly achievable – and it's not yet too late to do it. This report will argue that we urgently need to change the way we identify and reward creativity. It explores what separates the creatively effective from the creatively ineffective and provides clear guidance on how creativity and creative awards need to evolve. If we *don't* change, then soon we will no longer be able to show *any* strong link between creativity and effectiveness. And that will mean that investment in creativity will rightly be seen as 'non-working' budget; it will simply be cut.

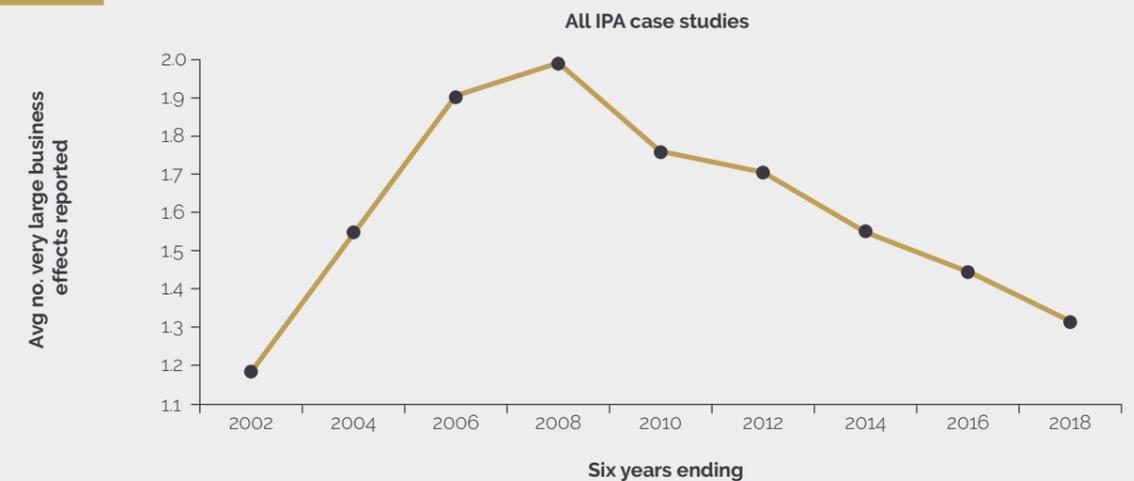
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The backdrop to this study: The general crisis in effectiveness

To understand what has gone wrong with creative effectiveness, we need to set it into a wider context.

It is actually part of a bigger and more general crisis in effectiveness. In two previous IPA publications – *Media in Focus* and *Effectiveness in Context* – Binet and Field have reported the alarming decline in typical effectiveness levels reported by IPA case studies since the awards year 2008 (comprised of campaigns that mostly ran during 2006-7). This trend has continued into the 2018 awards year, shown here for the first time.

Figure 2
The declining effectiveness of all IPA campaigns

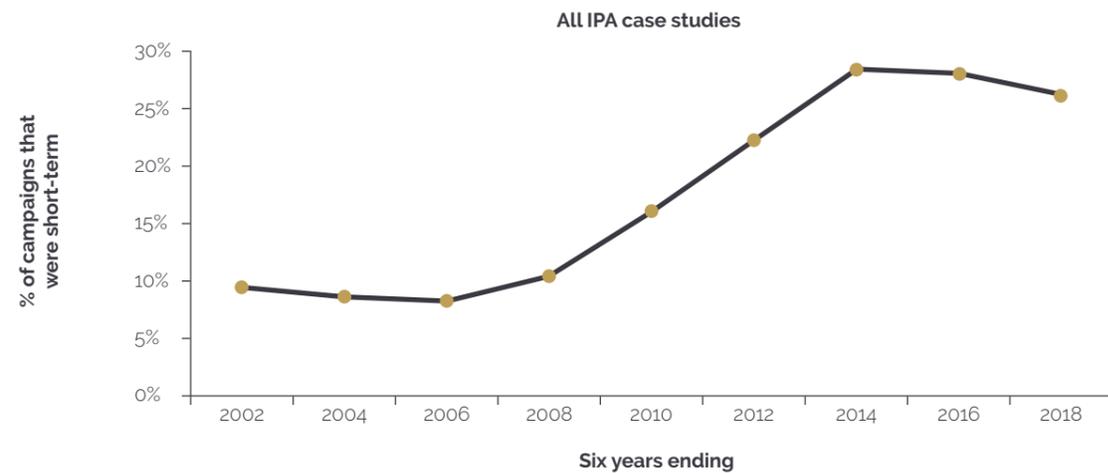


Source: IPA Databank, 1998-2018 for-profit cases



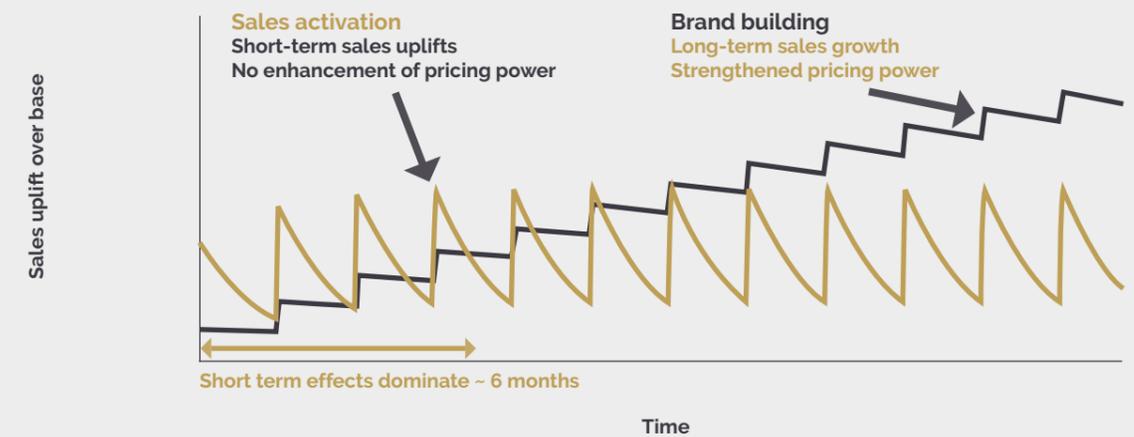
In those publications, we argued that, to a considerable degree, this loss of effectiveness was explained by the growth of short-termism. This was leading to the pursuit of short-term sales activation rather than brand strengthening for long-term growth. The rise of short-term thinking is evidenced by the proportion of IPA submissions featuring campaigns that ran and were evaluated over periods of less than six months.

Figure 3
The rise of short-termism



Source: IPA Databank, 1998-2018 creatively awarded cases

Figure 4
Short and long-term effectiveness are different



Source: Binet & Field 2013

“Longer-running campaigns are being focused on strategies and media choices geared to short-term sales effects rather than long-term growth.”

▲ This group had grown strongly since 2006, but more recently has shown signs of levelling off, thanks in large part to effectiveness judges trying to discourage the trend to short-term cases. Although, when looking at broad media-expenditure patterns, there is not yet any evidence that this trend is becoming more widespread.

The decline in effectiveness, however, goes deeper than that. It is not driven simply by a shift to ‘disposable’ campaign ideas that are in market for short periods of time and are therefore focused on driving immediate effects. Increasingly, even longer-running campaigns are being focused on strategies and media choices geared to short-term sales effects rather than long-term growth. This switch is changing the very nature of the type of advertising we are generally exposed to: instead of emotionally engaging human stories that seek to charm and captivate, we are seeing more didactic, literal presentations that seek to prompt us into action.¹

¹ This will be the subject of a study by Orlando Wood from the System 1 Agency, to be published in October 2019

“You cannot build a brand overnight – but they are very durable and their effects actually build over time.”

▲ Fig 4, taken from *The Long & the Short of It* (Binet & Field 2013), shows the tension between the two ways of driving sales: brand building and sales activation. It also reveals why a short-term focus will inevitably determine the kind of advertising you choose to use.

Marketers with long-term goals are drawn to brand building. Brand building is the main driver of long-term growth and involves the creation of emotional memory structures that prime consumers to want to choose the brand, something creativity is very good at. These memory structures take time to create and reinforce – you cannot build a brand overnight – but they are very durable and their effects actually build over time. The priming effect also improves pricing power and so, again over time, it has a strong impact on profitability. Therefore, over longer time frames, creativity is able to bring more value to advertising.

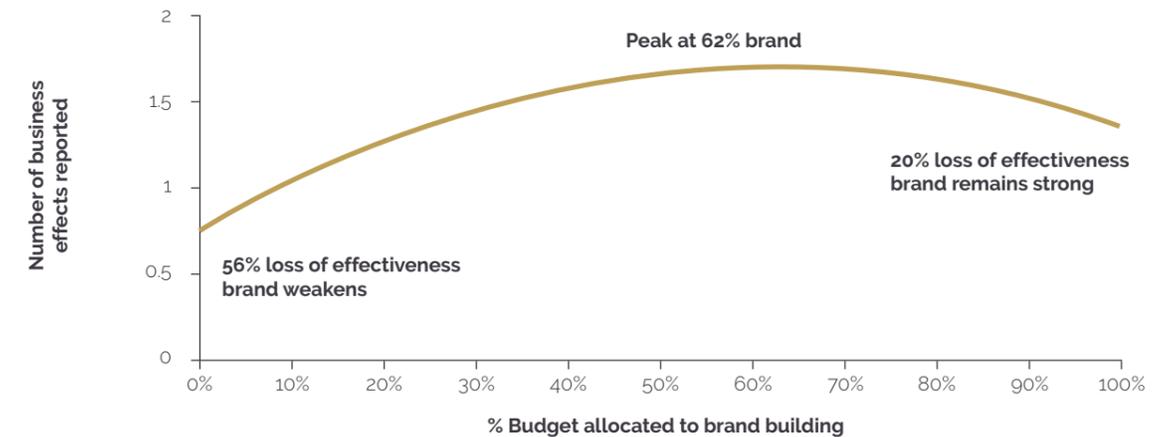
“Effectiveness starts to fall away, but especially when budget is under-allocated to brand.”

Marketers with short-term goals are drawn to sales activation. Sales activation involves behavioural prompts that nudge consumers to want to buy *now*: promotional messages, reminders, seasonal or other occasion-related prompts and ‘reasons why’, often based on minor new product news. These prompts are focused on getting an immediate behavioural response, so the creation of memory structures is not necessary. They work simply with what the consumer *already* believes, rather than trying to change the way they see the brand. They have little effect on long-term growth and pricing power, so their impact on profitability is modest at best, but they can produce powerful short-term sales spikes. Creativity brings little value to short-term sales activation, so the trend to short-termism is likely to reduce the value it is able to bring.

When used together, brand building and activation can work in synergy, each enhancing the other. Brand communications create enduring memory structures that increase the base level of demand for the brand and reduce its price sensitivity. Sales activation triggers or exploits these memories and converts them efficiently into immediate sales. The net result of doing both is a sustainable revenue stream with higher margins.

But the two need to be done in balance and the data shows there is a clear optimum ratio where effectiveness is greatest; over the last 20 years this moving ‘sweet spot’ has averaged at 62% budget allocation to brand building, but has been steadily shifting in favour of brand building throughout. Fig 5 shows how, either side of the optimum point, effectiveness starts to fall away, but especially when budget is under-allocated to brand.

Figure 5
The sweet spot for effectiveness



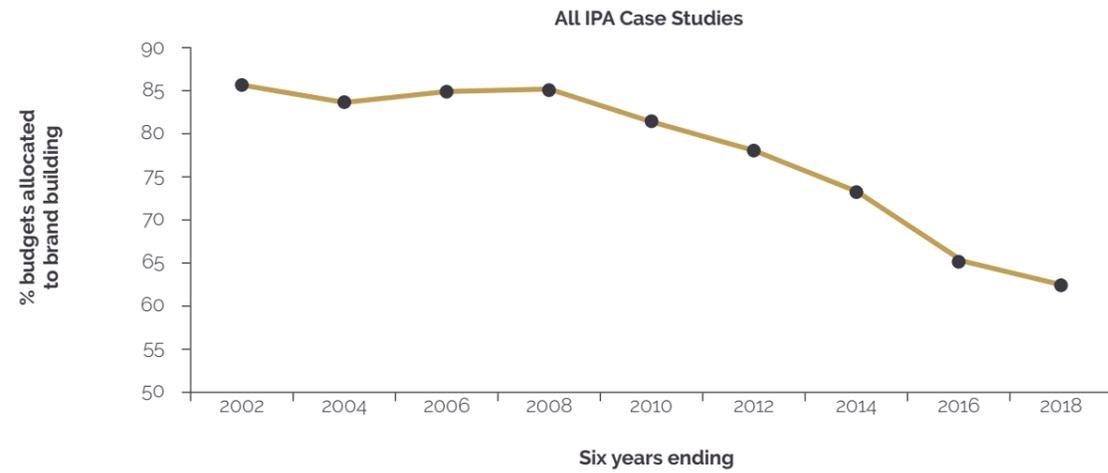
Source: IPA Databank, 1998-2016 for-profit cases

“The growing focus on short-term goals is reducing the brand building spend, causing a steady drift to sales activation spend.”

▲ Of the two mistakes marketers might make – over-allocation to brand or under-allocation – the latter is the more damaging. The loss of potential effectiveness over time as the brand weakens is greater and there is no rapid or easy fix for this problem: it will take time and money to rebuild the brand. By contrast, the loss of effectiveness resulting from over-allocation can be put right immediately by rebalancing the campaign, because the brand will have remained strong. Unfortunately, under-allocation is by far the more common mistake being made by marketers today and this is just as true for creatively awarded campaigns.

Just as we would expect, the growing focus on short-term goals is reducing the brand building spend, causing a steady drift to sales activation spend.

Figure 6
The drift to activation spend



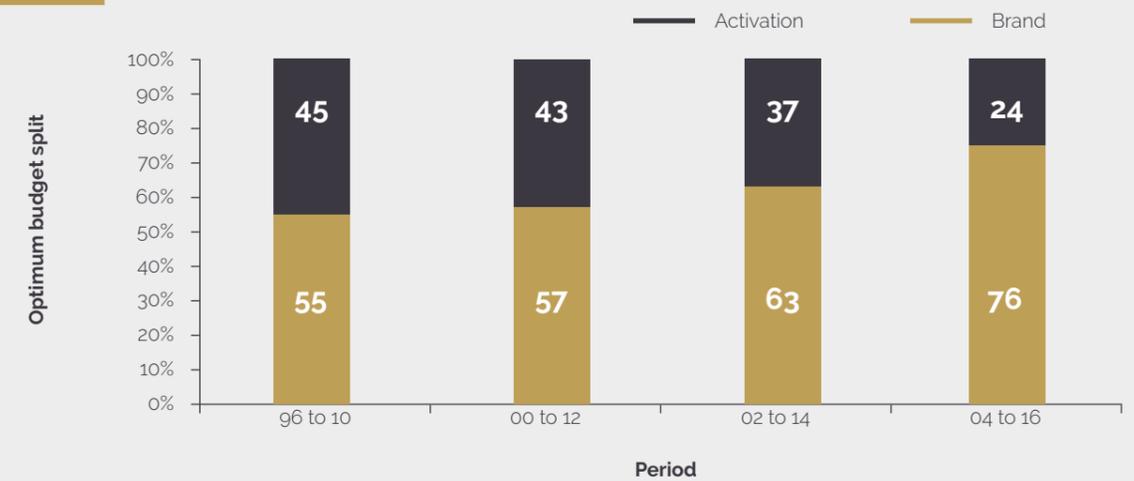
Source: IPA Databank, 1998-2018 for-profit cases

This is despite an opposite trend in the optimum balance of budgets between brand and activation. This is moving consistently in favour of brand building (the reasons for this are discussed in *Effectiveness in Context*).

“Under-allocation is a central reason why effectiveness levels have been falling: we are allowing brands to weaken.”

So, in the latest period there is a considerable budget under-allocation to brand building vs. optimum of at least 14 percentage points, and this is getting rapidly worse. This under-allocation is a central reason why effectiveness levels have been falling: we are allowing brands to weaken and, with that, we are losing the valuable choice-priming benefits of brand building. For effectiveness, this is very destructive behaviour.

Figure 7
The optimum budget balance is trending towards brand



Source: IPA Databank, 1998-2016 cases
From *Effectiveness in Context*, Binet

The crisis in creative effectiveness

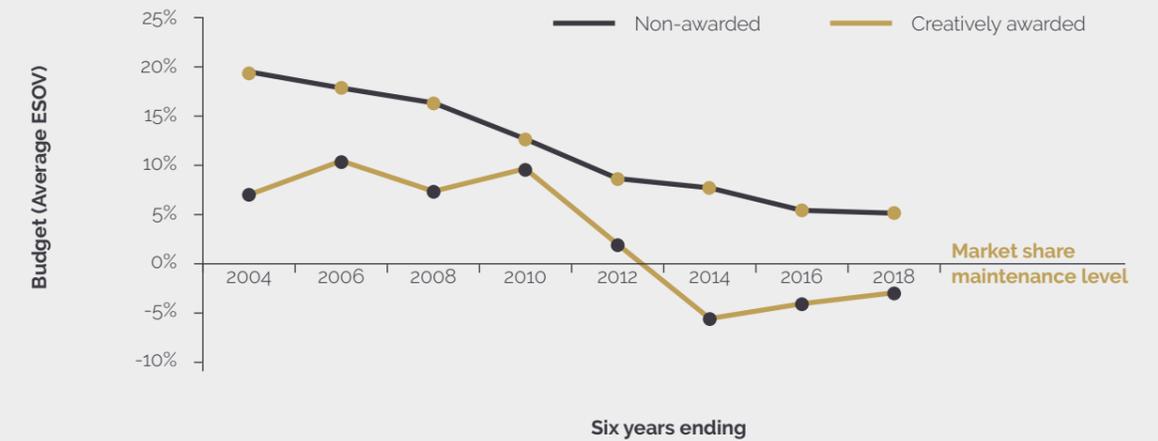
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It would be surprising if this more general crisis in effectiveness had left creatively awarded campaigns untouched. In fact, their effectiveness has been hit even harder. As we saw in the opening chart, creatively awarded campaigns are now less effective than they have ever been in the entire 24-year run of data and are now no more effective than non-awarded campaigns.

This disaster has multiple, complex causes. Historically, we have always been able to point to the budget disadvantage faced by creatively awarded campaigns versus their non-awarded peers. Throughout this report we measure budget as ESOV, in other words SOV minus SOM². Creatively awarded campaigns have always had lower ESOV than their non-awarded peers, but this chart shows how that has now dropped even below maintenance levels. Research shows that when you allow this to happen, you should expect your market share to decline.

² Why ESOV? Research shows that it is the best budget metric. It is linked very strongly to sales growth or decline. The larger the ESOV, the more growth you can expect, but if ESOV is negative, i.e. when SOV drops below SOM, then brand sales tend to fall.

Figure 8
Declining budgets for awarded and non-awarded campaigns



Source: IPA Databank, 1998-2018 for-profit cases

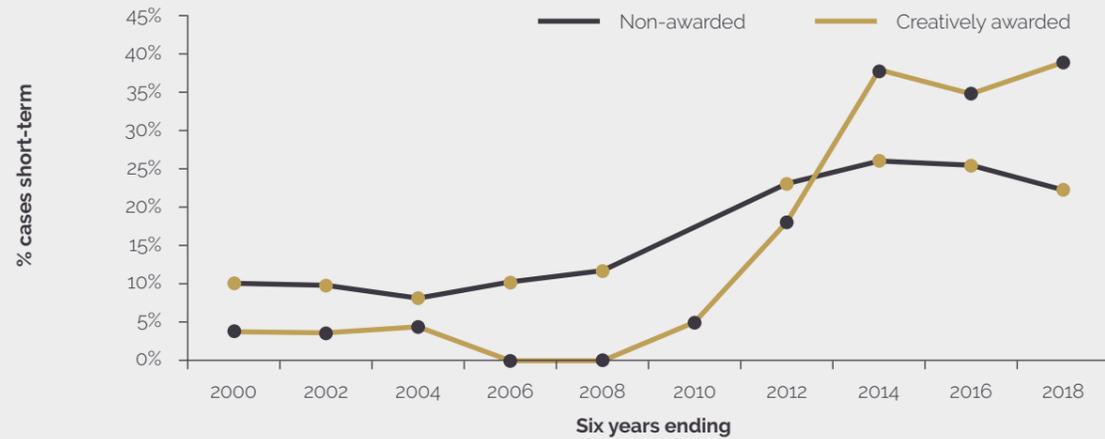


To make matters more complex, a much greater proportion of awarded campaigns' budgets are allocated to non-audited digital media, where SOV is impossible to measure. This is likely to mean that awarded campaigns' *true* budget disadvantage is not actually as large as this chart suggests. In which case, their loss of effectiveness is even more worrying and, as we will see, we cannot blame the loss of creative effectiveness on budget.

Probably the chief culprit for the declining effectiveness of creatively awarded campaigns is the growing trend by creative awards judges to favour short-term 'disposable' creativity. Fig 9 shows how creative awards judges have been entranced by short-term ideas, many of which were relatively low-budget, digitally focused campaigns.

“ It is unclear why awards judges increasingly favour short-term campaigns. Perhaps judges just prefer digitally-focused campaigns, or data-driven creativity? ”

Figure 9
The dramatic rise of short-term campaigns receiving creative awards



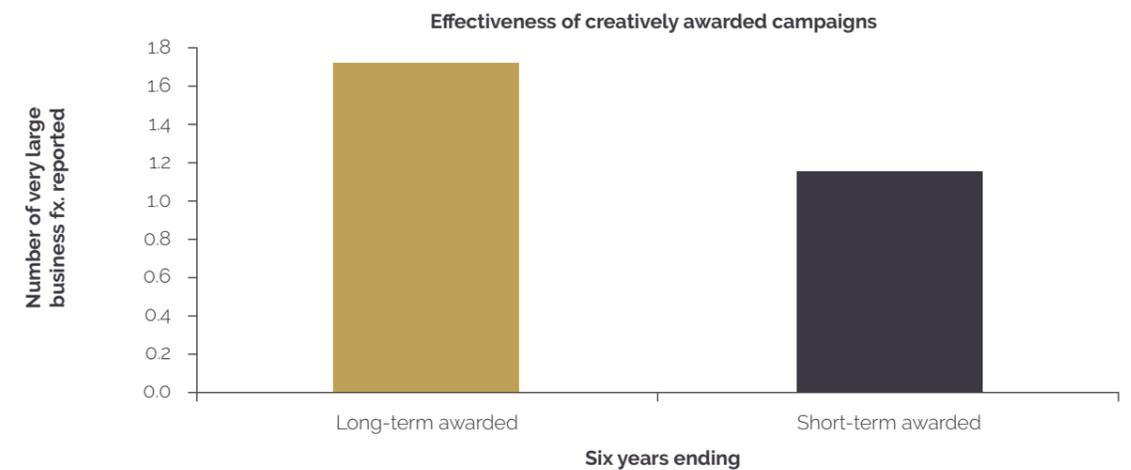
Source: IPA Databank, 1998-2018 for-profit cases

“In the short-term, creativity doesn't sell.”

▲ This trend is worrying not just because short-term campaigns in general are less effective than long-term ones, but because this applies even more strongly to creatively awarded campaigns; short-term creatively awarded campaigns are around 50% less effective than long-term awarded campaigns. Therefore, these short-term creatively awarded case studies turn out to be almost 25% less effective than non-awarded campaigns. *In the short-term, creativity doesn't sell* so the judges' strong drift towards favouring short-termism *inevitably* results in declining average effectiveness levels amongst awarded campaigns.

It is unclear why awards judges increasingly favour short-term campaigns. It's a fact that these short-term creatively awarded campaigns on average allocated 2.5 times more of their budget to online media than the long-term creatively awarded campaigns that they are increasingly replacing. Perhaps judges just prefer digitally focused campaigns or data-driven creativity?

Figure 10
Creativity needs time to drive effectiveness



Source: IPA Databank, 1998-2018 creatively awarded cases

▲ Alternatively, have agencies been pouring their creative talent into these kinds of campaigns rather than less fashionable 'old-school' media? Either way, the judges' preferences are proving an immensely destructive development.

But the problem goes deeper than merely the drift to short-term 'disposable' creativity. Even long-term creatively awarded campaigns have been affected by the general obsession with short-term sales activation. And there is clear evidence that creativity is being redirected towards the goal of short-term results, something it is *mediocre* at, rather than brand building, which is the thing it *excels* at. The proportion of awarded cases that achieved very large short-term sales activation effects has risen considerably in recent years.

Why is creativity a long-term tool?

Some will question whether creativity can only be a long-term tool. Why can't creativity – presenting consumers with new ideas – also serve as a tool for short-term response? The answer lies in the different drivers of short and long-term growth.

If we are trying to get a consumer to hit the buy button now or reach for our pack on the supermarket shelf, a simple message that confirms their inclination to buy, delivered in a familiar way, using media aligned to the purchase environment, is a well-proven route. The last thing we want to do is to present an unfamiliar stimulus to them; surprises are usually not helpful and can even be off-putting.

If, on the other hand, we are trying to entice a consumer to give our brand a try in the future, we will need to firstly attract their attention and then maybe also change their preconceptions of the brand. The unfamiliar is a great advertising asset for both these tasks; humans are preprogrammed to notice it and if you want to change perceptions, you need to be doing something different. Recent research on video advertising by Unruly reveals that long-term success is strongly linked to the ability to surprise the consumer.

Creativity is about novelty and surprise. It therefore has a direct relevance to long-term growth and brand building. It is much less helpful, and possibly a hindrance, when it comes to short-term response.



Case studies

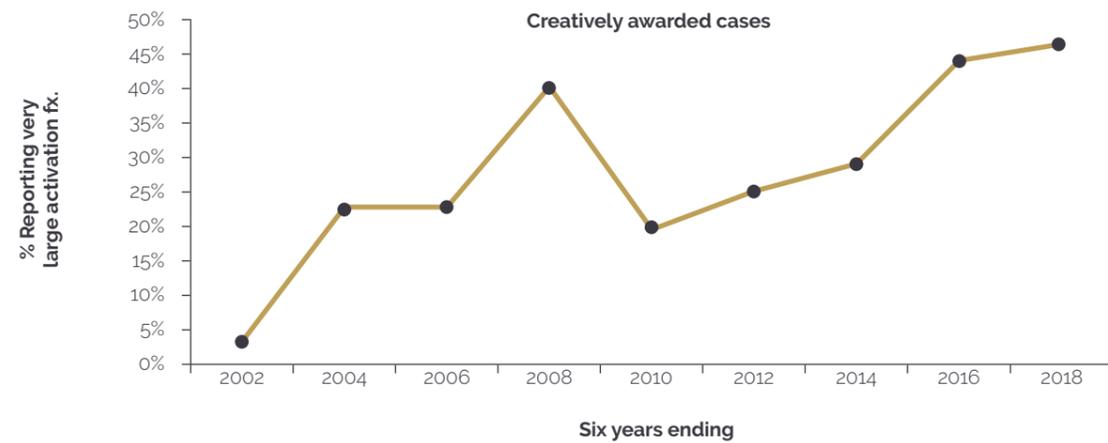
Mars brands: Snickers, Skittles and Maltesers

The Mars company knows better than most the value of long-term campaigns and the contribution of creativity to their success. The Snickers campaign has been a long-running success story since 'You're not you when you're hungry' was born in 2012. Fame and sales have grown relentlessly over the period.

By contrast, the Skittles 'Pride' campaign was a short-term activation around four Gay Pride city events in the UK. For four months spanning the events, the usually colourful brand sacrificed its rainbow colours on packs sold in leading UK retailer Tesco. Supporting advertising amplified the fame effect, whilst sales of the promotional pack drove healthy overall increases during the promotion. But how do you keep success rolling afterwards?

Perhaps Maltesers is the better role model. A 2016 TV campaign featuring disability in highly unconventional ways was developed in response to a competition for free airtime on UK's Channel 4. It emerged as a strong commercial success, despite an initially limited three month run; however, the brand had acquired an attractive new purpose and the campaign is still running in 2019.

Figure 11
The focus of creativity on short-term effects has risen



Source: IPA Databank, 1998-2018 creatively awarded cases

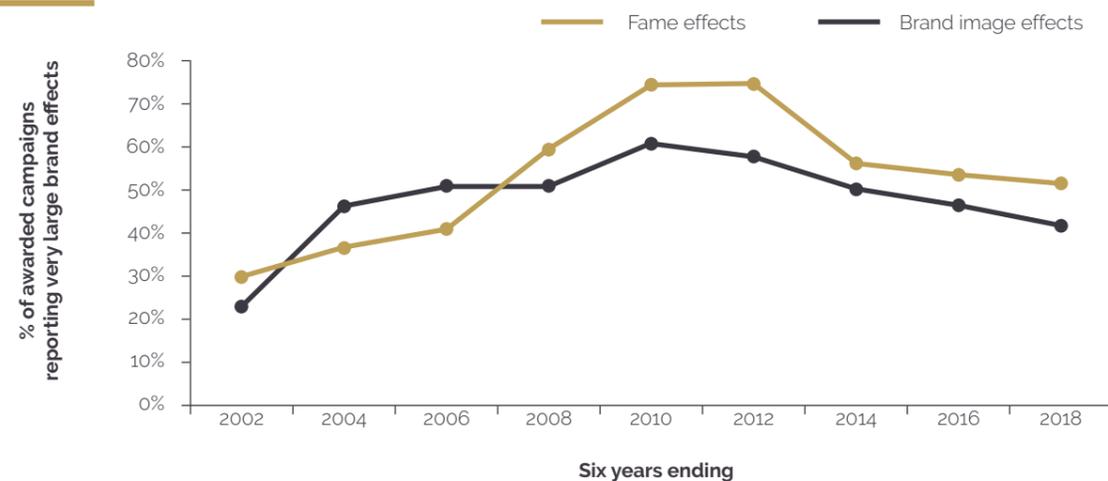
“ As a result, we have witnessed a catastrophic decline in the typical efficiency multiplier achieved by creatively awarded campaigns. ”

This over focus on the short term would damage the long-term effectiveness of any campaign, but it especially erodes the effectiveness of creatively awarded campaigns, because creativity is first and foremost a brand building tool whose impact on business success takes place over the long term. So, if you constrain highly creative advertising to work in the short term or to simply deliver short-term results, you do *even more* damage to its effectiveness than you would to less creative campaigns in general.

As a result, we have witnessed a *catastrophic* decline in the typical efficiency³ multiplier achieved by creatively awarded campaigns. For many years, before the shift to short-term activation-focused creativity began, creatively awarded campaigns were around 12 times as efficient as non-awarded ones. As short-termism took hold, this multiplier fell to around 10 and, in the most recent period, has fallen to below four.

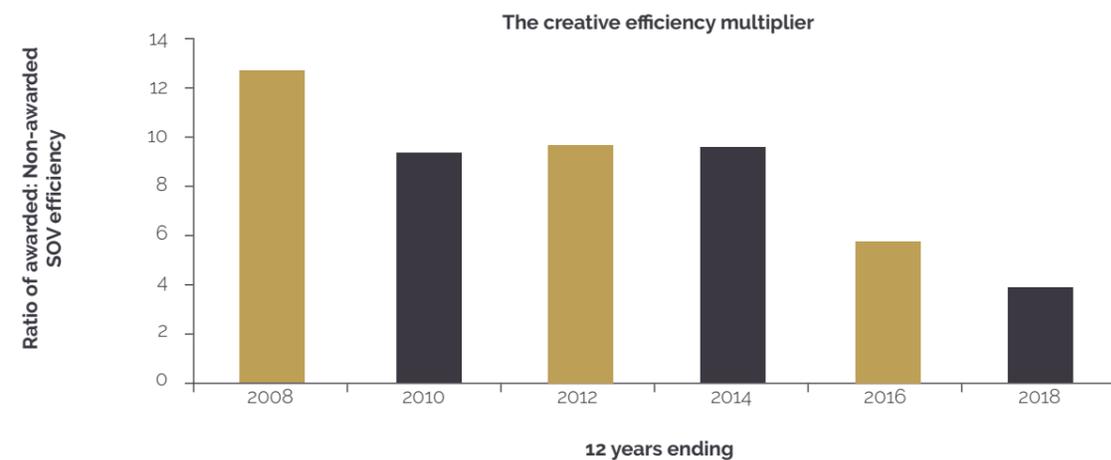
³ Efficiency is measured as % points of market share gain p.a. for every 10 % points of ESOV invested in the campaign. It is a 'bang for bucks' metric.

Figure 12
Creative short-termism is undermining brand building effects



Source: IPA Databank, 1998-2018 creatively awarded cases

Figure 13
The alarming collapse of the benefit of creativity



Source: IPA Databank, 1998-2018 for-profit cases

It is important to note that, for robustness, this data is aggregated over 12-year periods, so the latest data actually reports cases submitted from 2006-18. The downward trend has measurably continued during this period and so the efficiency of awarded campaigns submitted in more recent years alone is likely to have reached or fallen below that of non-awarded campaigns.⁴ It is difficult to come to any other conclusion than this: we have killed the power of creativity — once the most valuable weapon in the effectiveness arsenal.

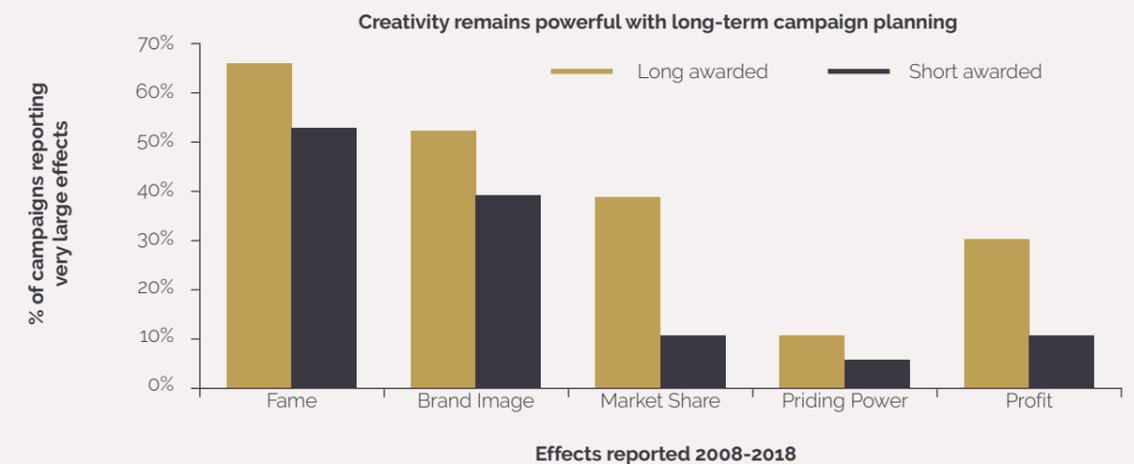
None of this is inevitable; people have actively made these choices. For those who have resisted — the dwindling group of long-term creatively awarded campaigns — the effectiveness picture is still relatively healthy. Looking at awarded campaigns since the effectiveness decline began in 2008, we can see that long-term campaigns dramatically outpunch short-term ones across key brand and business metrics.

⁴ This is strongly implied by Fig 1 which shows that effectiveness over the latest six-year period was considerably lower than during the preceding six years.

“We have killed the power of creativity – once the most valuable weapon in the effectiveness arsenal.”

Anybody who cares about creativity must challenge the drift to short-termism, or creativity will be condemned to irrelevance. To challenge it, all the associated behaviours, not just the obvious ones, have to be identified and addressed. In particular, creative awards judges should become more aware of these behaviours so they can at least make informed judgements about how meaningfully the creativity has been deployed. The last part of this report aims to provide the ammunition for the task ahead.

Figure 14
Creativity is still highly effective when it used in the long term



Source: IPA Databank, 2008-2018 creatively awarded cases

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What drives creative effectiveness?

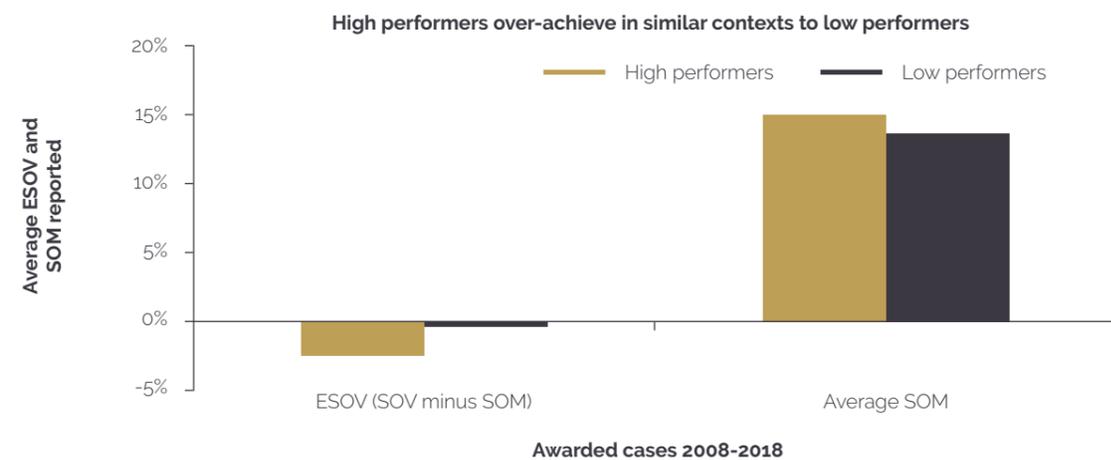
“ High performers achieved more than one very large business effect. Low performers did not. ”

This part of the report examines recent (2008 and post) creatively awarded campaigns in order to identify the behaviours that seem to determine whether they are effectiveness overachievers or effectiveness underachievers. This is the period when the problems emerged.

We are going to make a simple comparison within creatively awarded campaigns to reveal the main differences between the high performers and low performers over the last ten years. High performers achieved more than one very large business effect: a shift in market share, pricing power, profitability or one of the other six metrics that are reported. Low performers did not. No other considerations are used to define these groups – this divides our 76 creatively awarded campaigns almost exactly in half. And there is a *vast* difference in average effectiveness between these two halves, so the factors that differentiate them are clearly extremely important. The analysis is highly revealing and teaches us much about how creative fashion has headed in the opposite direction to effectiveness.

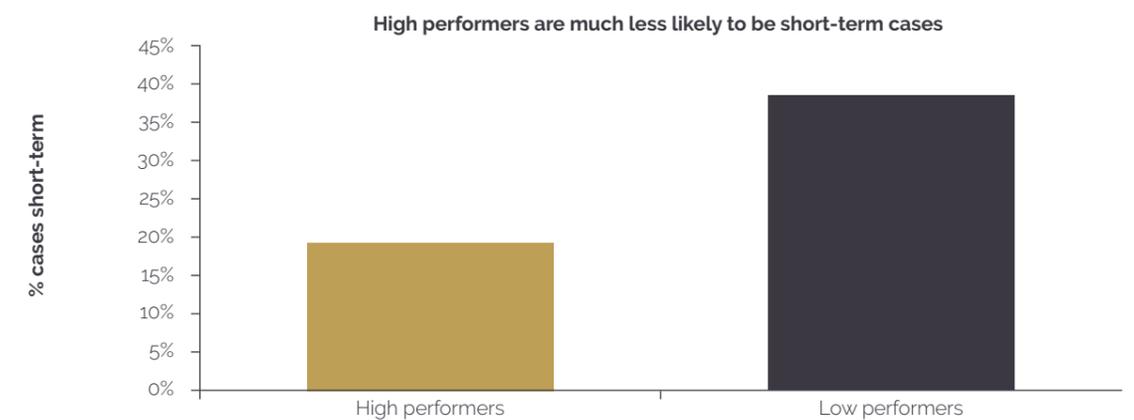
The first point to make is that we cannot account for the performance difference by budget or the size of the brand: high and low performers had very similar budget levels and market shares. In fact, high performers had slightly *lower* budgets in terms of ESOV than low performers (-3% vs. 0%); not a huge difference, but still a slight disadvantage.

Figure 15
Budget and size do not account for underperformance



Source: IPA Databank, 2008-2018 creatively awarded cases

Figure 16
Short-termism is a major factor in underperformance



Source: IPA Databank, 2008-2018 creatively awarded cases

Nor is the difference down to levels of creativity. High and low performers are equally likely to have picked up four or more creative awards.

Nor can we put it down to the sector the brand operated in or any of the other contexts that influence effectiveness, such as whether the brand is premium or new, or whether the category is dynamic. All of these factors are remarkably constant across high and low performers.

Instead, the difference has to be largely due to the nature of the campaigns they ran. And, as you would expect from our earlier observations that short-term campaigns are much less effective, it is short-termism that can explain a great deal of the performance differences.

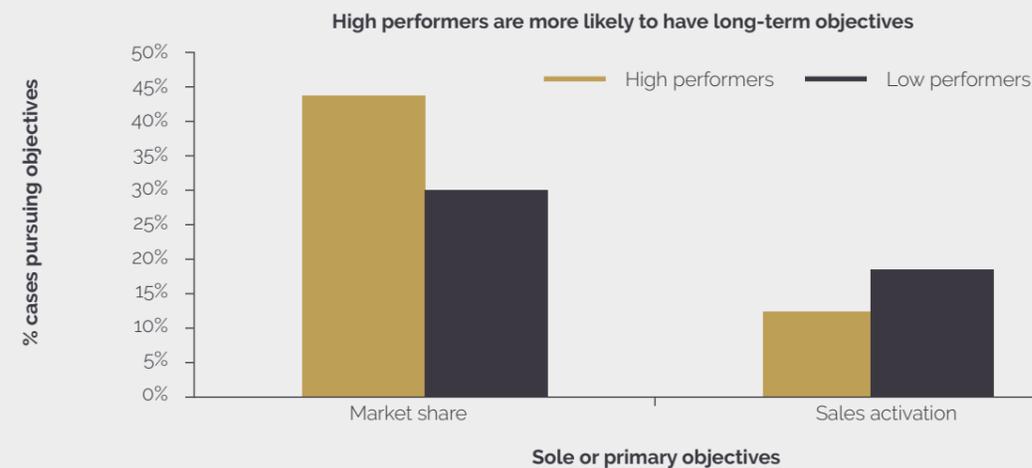
“An over focus on short-term sales activation underlies the problem.”

High performers choose long term. They are half as likely to be short-term as low performers. This is reflected in the average duration of high-performing campaigns; they are just over twice as long as those of low performers. Creativity delivers very little of its full potential over short time frames and this is something we have known for much of the last ten years, yet the trend to short-term 'disposable' creativity continues.

The problem goes deeper though than simple campaign duration. Duration is a reflection of the objectives given to the campaign, and these objectives show how an over focus on short-term sales activation underlies the problem.

Figure 17

Imbalance of short and long-term objectives is a major factor in underperformance



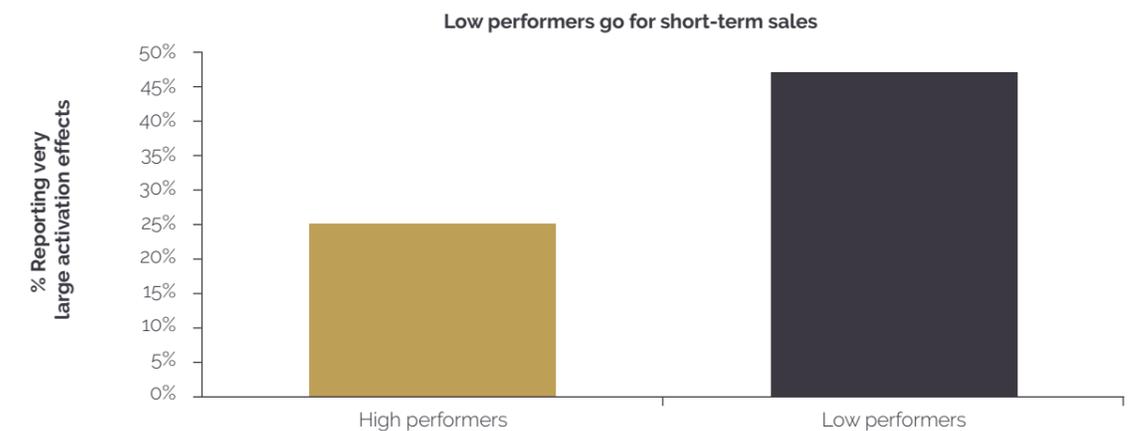
Source: IPA Databank, 2008-2018 creatively awarded cases

“Low performers have sacrificed broad effectiveness in order to push primarily for short-term sales.”

High performers are much more likely to be targeting long-term objectives, such as market-share growth, and less likely to be targeting short-term sales activation. We know that it is the balance of these two objectives that deliver effectiveness and, clearly, these low performers have not found the right balance.

Figure 18

An over focus on short-term effects is a major feature of underperformers



Source: IPA Databank, 2008-2018 creatively awarded cases

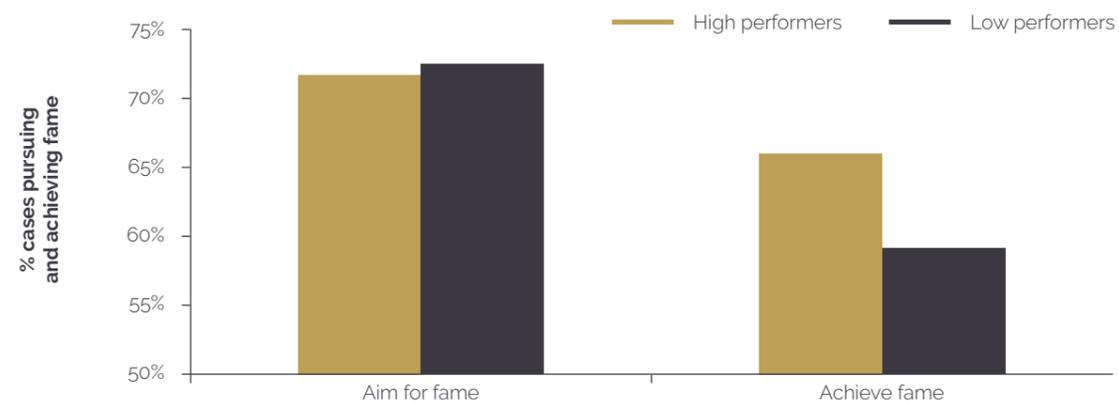
How can we be sure that low performers have the balance wrong? Two key findings make this clear. Firstly, they dramatically underperform in overall effectiveness, as we will see. Secondly, they dramatically overperform in terms of short-term sales effects as Fig 18 shows.

It is clear from these results that low performers have sacrificed broad effectiveness in order to push primarily for short-term sales; this is the *only* results metric they overperform on and they massively underperform on all the long-term business metrics. The over focus on short-term sales activation is a major feature of low performers and, as we will see, it leads them to overinvest in the tools of quick response and underinvest in the business of brand building.

One observable facet of this amongst low performers is their weaker focus on primarily emotional advertising; their focus shifts instead to activation prompts in the campaign, which are by nature rational. The difference is not yet great (76% vs. 81%), but emotions are such a dominant feature of effective creativity that any dilution has to be a worrying sign.

One of the first victims of short-termism is fame — the primary driver of creative effectiveness. The value of fame is twofold. It broadens the reach of the campaign (through sharing in various ways) and it creates a sense of popularity and advocacy for the brand (because people are talking about it). Working together, these effects make the brand an easier, safer choice for consumers, as well as a more familiar one. Potential buyers are reassured by the perceived wide acceptance and popularity of the brand.

Figure 19
Fame is not instant



Source: IPA Databank, 2008-2018 creatively awarded cases

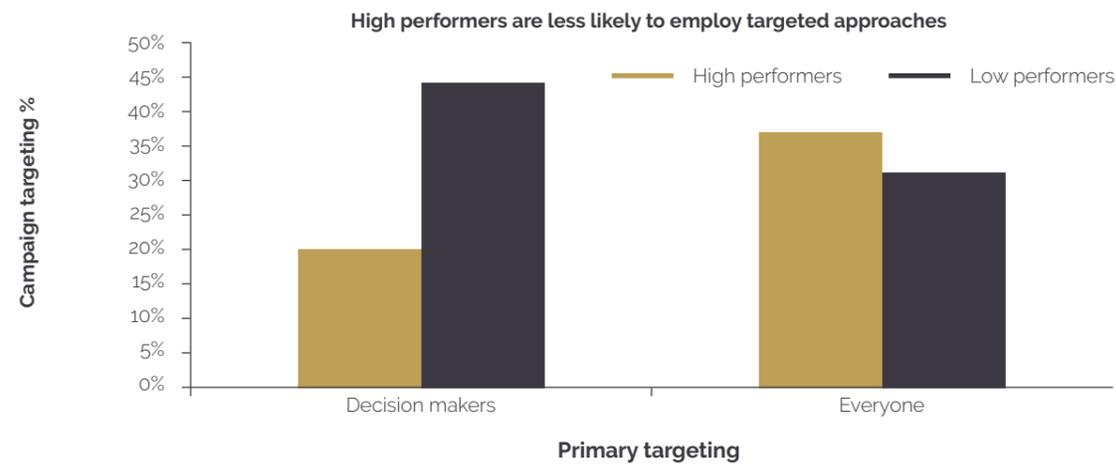
“The bigger problem is that short-term fame is not nearly as valuable as sustained long-term fame.”

Low performers are no less likely to be seeking to build fame for their brand. It's just that they are markedly less likely to achieve it. The bigger problem is that short-term fame is not nearly as valuable as sustained long-term fame. You might achieve fame for an instant, but if it is not sustained long enough to embed behavioural change in the target audience, then it will have been largely wasted.

The ideal creative campaign, from a fame point of view, is one that reaches as widely as possible and is given time to create real momentum behind fame and other positive brand attributes. Achieving fame, therefore, does not sit well with the tight targeting of campaigns, especially if the advertising is only served at the moment of decision to people who are about to shop the category right now. This can be clearly seen in new IPA data that reveals the targeting patterns across high and low performers. In particular, low performers are much more focused on just the decision-maker, apparently assuming that this person will make their decision without much influence from others.

“ One of the first victims of short-termism is fame – the primary driver of creative effectiveness. ”

Figure 20

Tight targeting undermines the performance of creative campaigns

Source: IPA Databank, 2008-2018 creatively awarded cases

“The true value in creativity lies in its ability to create widely shared, popular perceptions of brands.”

▲ High performers are much less likely to make this mistake. They are more likely to take a broader targeting approach to everyone in the market, including non-users of the brand. Some people might think this is a wasteful targeting strategy but the true value in creativity lies in its ability to create widely shared popular perceptions of brands. In this context, there is no such thing as wasted reach.

“If creative awards become hitched to this future, then creativity will continue down the path of short-termism and away from brand building.”

This is a much more important point than it may seem. At a time when many believe that the future of advertising is about '1 to 1 at scale', targeting broad swathes of the population with personalised advertising relevant only to them, this analysis suggests that creativity will be doomed to underperform even more badly in the future. '1 to 1 at scale' makes it very difficult to create any consistent sense of brand across a population or across time; it inevitably favours activation messages because ads are likely to be served close to the moment of purchase. If creative awards become hitched to this future, then creativity will continue down the path of short-termism and away from brand building. A grim prospect indeed for creative effectiveness.

Targeting strategy inevitably has major implications for the budget allocations across media. High performers allocate much more of their budget to conspicuous broad-reach media such as TV, OOH and online video (especially social); low performers allocate much more of their budget to less conspicuous, usually tightly targeted media, such as online non-video (and, to a lesser extent, local press).

Case study

Dove

Real beauty

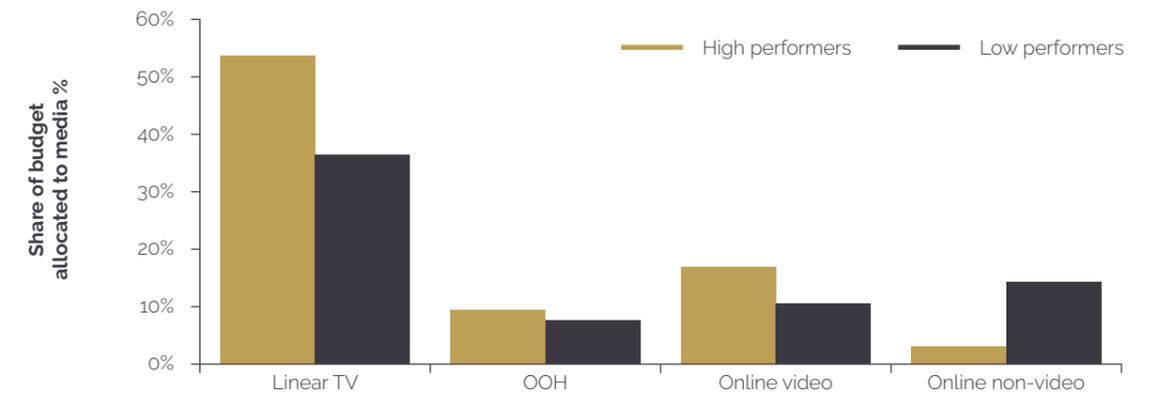
Few campaigns come close to Dove at demonstrating the power of creativity to create fame on a global scale. For more than 10 years Dove has used its 'Real beauty' brand purpose as the platform for highly creative and highly effective advertising. With an overall profit ROI of over 400%, the campaign proves that brand purpose, if communicated creatively, can be a force for success.



“ New IPA data examining how campaigns use big data also shows a difference between the two groups; high performers are more likely to use it for insight, low performers for targeting. ”

Figure 21

Performance is boosted by broad-reach conspicuous media



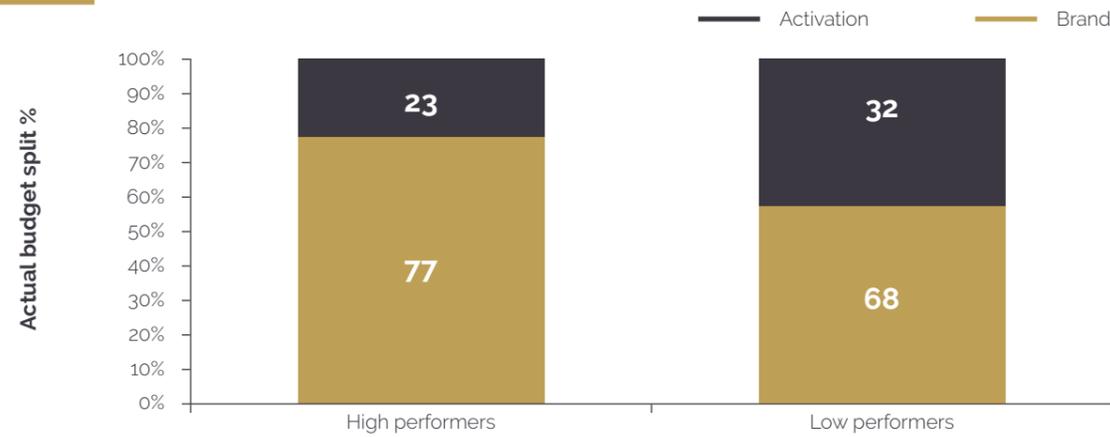
Source: IPA Databank, 2008-2018 creatively awarded cases

It is revealing to contrast creative high performers' media tendencies with those generally favoured by creative awards judges. TV is the biggest media tendency for high performers and yet, overall, judges tend to give creative awards much more often to those that use online video and social media. These media can be effective too, but their effectiveness doesn't really justify all the attention they are getting.

New IPA data examining how campaigns use big data also shows a difference between the two groups; high performers are more likely to use it for insight, low performers for targeting.

We've seen that high performers make more use of media associated with strong brand building effects: TV, OOH, online video. This reflects their strong tilt towards allocating budget to brand building, compared with low performers.

Figure 22
High performers get the brand activation balance right



Source: IPA Databank, 2008-2018 creatively awarded cases

“A significant part of the performance problem in creativity is the drift away from brand building.”

The high performers' budget allocation of 77% to brand building over the last decade is very close to the optimum for that period, implied earlier by Fig 7, which is 76%. This figure is also backed up if we model, using the limited amount of data we have, how effectiveness varies with budget allocation for all creatively awarded campaigns. This also suggests a value close to this (just under 75%). So it is really clear that a significant part of the performance problem in creativity is the drift away from brand building. The percentage of budget allocated to brand building amongst creatively awarded campaigns has fallen to just 66% over the last four years, around 10 percentage points below optimum. No wonder creativity is facing an effectiveness crisis.

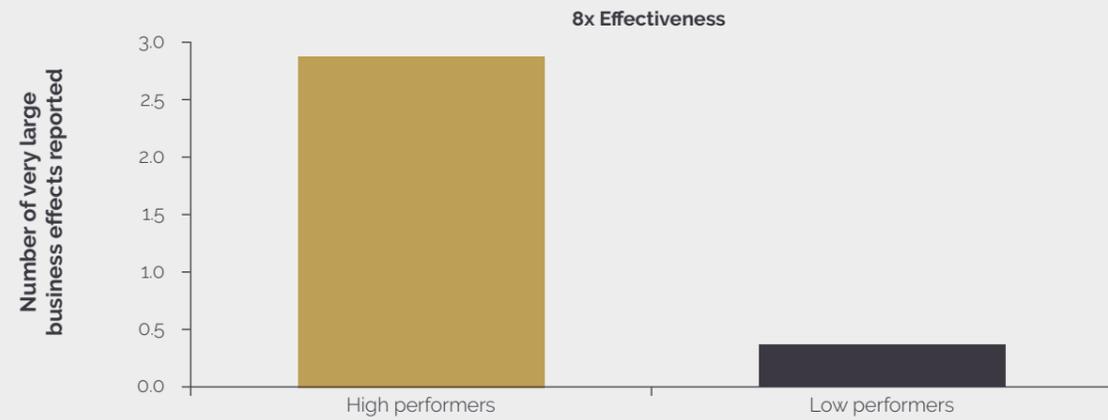
But we already know that this is an avoidable crisis. If we learn from the high-performing creatively awarded campaigns we could solve this overnight. High performers are eight times more effective than low performers in terms of the number of business effects they generate.



Case study
John Lewis
Success isn't just for Christmas

The 2018 case study for John Lewis reminds us that the astonishing seven-year success story enjoyed by this department store was not built on the hugely celebrated Christmas advertising alone. Part of their formula for success was the careful balancing of the annual pre-Christmas TV-led brand building campaign with year-round sales activation. As the years have passed, they have refined the formula, enabling them to drive ever greater efficiency from the total advertising spend. Profit ROI over the period now stands at 7:1.

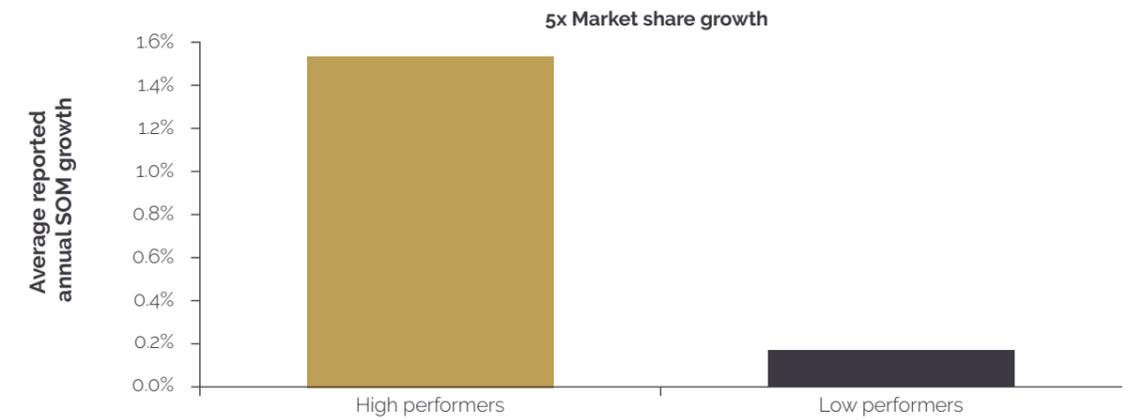
Figure 23
Creativity used wisely is 8X more effective



Source: IPA Databank, 2008-2018 creatively awarded cases

▲ If all creatively awarded campaigns avoided short-termism and the pernicious pressures it exerts on strategy and media usage, they could restore their lost effectiveness. And if all were able to achieve the level of market-share growth reported by top performers, this would do much to restore their lost efficiency.

Figure 24
Creativity used wisely drives 5X more market share growth



Source: IPA Databank, 2008-2018 creatively awarded cases

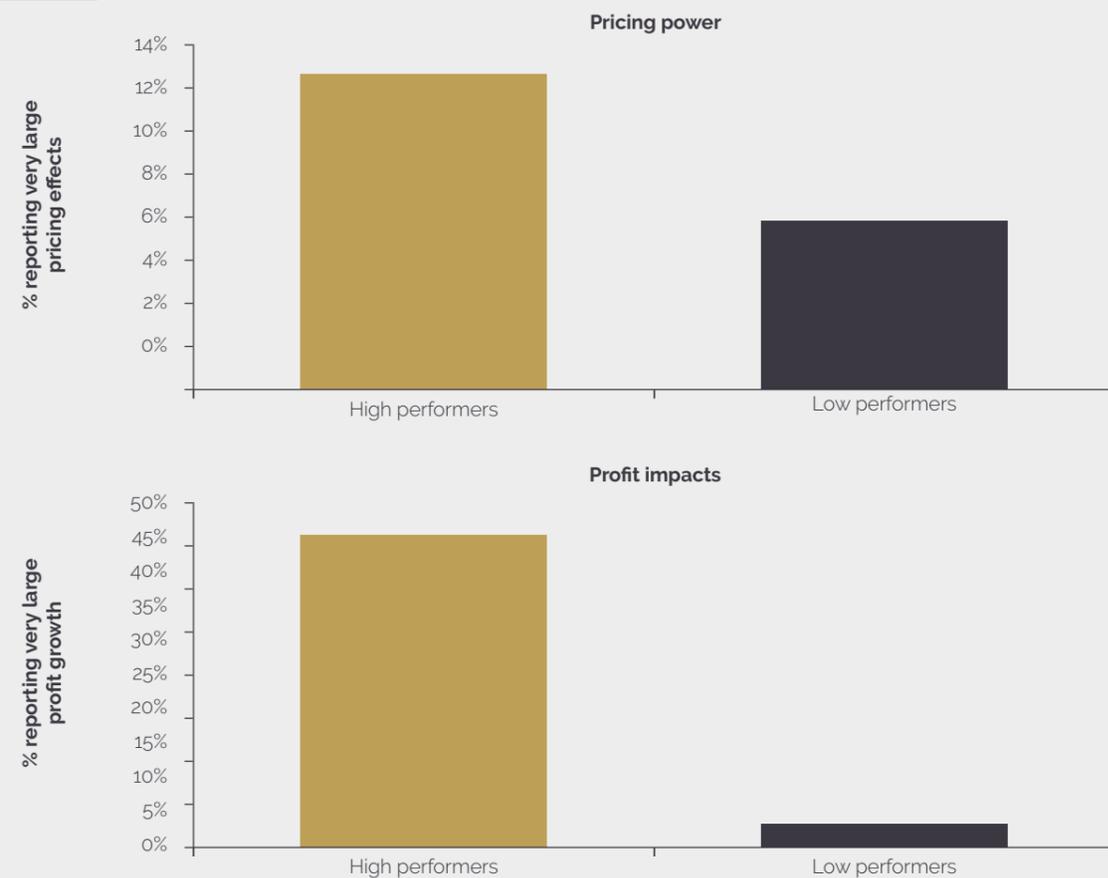
▲ **“High performers... don't simply drive greater growth, they do so at greater profit margin.”**

▲ But it is the financial metrics associated with high performers that matter most and it is these that should act as a wake-up call to all businesses that believe in creativity.

High performers' impact on pricing power is more than twice that of low performers. So they don't simply drive greater growth; they do so at greater profit margin. This adds up to a massively greater impact on profitability; they are almost 16 times more likely to generate very large profitability improvements.

Figure 25

Creativity used wisely drives growth at higher margin with dramatically greater profitability impacts



Source: IPA Databank, 2008-2018 creatively awarded cases

Case study Guinness Made of more

The Guinness 'Made of More' campaign embodies many virtues of long-term creativity. The 2018 case study examines the impact of four years of highly creative and consistent but never formulaic advertising. The impact was not just on UK market share, which grew by 8%, but also on price elasticity which improved markedly. These two improvements together resulted in the highest reported profit return on investment of any beer campaign in the IPA data: 430%. The case study makes clear that this growth was driven by a marked shift in the strength of the brand in the minds of consumers.



▲ Surely these figures *alone* make the case for allowing creativity to do what it does best? It will take determination amongst all those who champion creativity to reverse the seductive trends that are destroying creative effectiveness. We should stop pouring our best creative endeavours into disposable creativity and we should stop rewarding that trend with an ever larger share of the medals at creative awards. If we don't, brand owners will soon conclude that creative awards are irrelevant to effectiveness. The only winners from that will be those businesses *that* sell sales activation advertising.

Conclusions and recommendations

4

“ Creative judges have increasingly awarded campaigns that pursue short-term goals. This encourages a short-term mindset. ”

There is strong evidence that the long-term effectiveness of creatively awarded campaigns has weakened considerably and may already have fallen to the point where award-winning creativity typically brings little or no effectiveness advantage. This is largely due to the impact of a growing marketing culture that values short-term results over long-term growth, and the knock-on effects this has on strategy, creativity and media choices.

Creative judges have increasingly awarded campaigns that pursue short-term goals. This encourages a short-term mindset, meaning those campaigns will underperform in the long term. Ultimately, this will weaken support for creativity amongst general management.

Those who cherish creativity should stop encouraging the development of disposable creative ideas and the use of creative firepower for tactical initiatives. Briefs should stress the importance of how ideas will strengthen the brand over time.

Creative award shows should have separate classes of awards for short and long-term creativity, to incentivise a rebalancing of creative endeavour in favour of long-term results.



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