



Tony Davis

THE SHORT AND THE LONG OF IT

I remember some years ago, as a young exec in NatWest's marketing and strategy team, attempting to explain the benefits of our continued spend on the NatWest brand. With brand tracking in hand, I illustrated how we continued to fair against the competitors in awareness, consideration and advocacy terms. Surely the long term was what business (and marketing's role) was all about and maintaining our brand standing was how we could protect it.

"Well son", said Tony Warren the MD of the UK group of businesses, a grizzly old banker, "Give me a series of short-term sales successes and the long term will take care of itself".

While at the time I derided his short-termist approach, in the 15 years since I have to a large extent made it my own. Recently, this polarised short versus long-term view has been brought into sharp focus with a seeming resurgence (at least on my radar) of the debate about direct response versus brand building.

While we frequently talk about integrated communications there is a constant and hugely unhelpful separation of "the codes", whether it be around above and below-the-line "channels", or brand and direct response "executions", not to mention the numerous digital channels which are seemingly indefinable and agnostic as far as these old definitions are concerned.

Quantium has worked on media optimisation and channel planning assignments with businesses who are interested in generating sales in the immediate as well as longer term. We have had the chance to measure some of the effects of different channel exposure and its short and longer-term results; not just eyeballs reach, but the sales outcomes referred to by Mr Warren some years back.

While no two clients (or MediaQube® projects) have ever revealed the same outcomes and insights into the effects of exposure (where even within the same category different channels can deliver significantly different effects) here are a few findings to help fan the flames of the brand versus DR debate:

1. Brand executions rarely work as well as messages including an offer or 'call to action' (as the DMers would say). While brand executions extolling the broad competitive virtues of the product or service can give rise to more creative and even entertaining ads, without a very specific proposition they appear to work less well at contributing a measurable sales effect. Perhaps the brand is built better for most companies in the delivery of the promise they make, both rationally and emotionally, having first secured an initial sale, enquiry or trial. Many clients are seeing it this way and allow the brand component of their ads to be integrated (through great ideas and production values) as a secondary objective of their DR executions.
2. TV still works in many cases, though if poorly placed is far less cost efficient than more targeted channels. This is relevant to this debate as, believe it or not, some advertisers define their TV activity as brand or DR based on its daypart positioning rather than execution type! Quantium has quantified the extent that off-peak does drive immediate response better, enabling separate evaluation of peak spots in terms of both short and long-term response. The analysis then needs to focus on how peak TV delivers halo effects in other channels differently, through optimal daypart mixes.
3. Direct marketing (through below the line channels) can build brands. If brand building is born more out of experience rather than purely hearing the advertised promise, DM channels often win hands down. A well-timed, targeted and succinct letter can be received so well as to be considered a service. DM might be considered the easiest channel to measure short-term response in isolation but using properly integrated measurement techniques some DM has very different results to what 'source codes' reveal. We have seen cases where the inclusion of great DM in the mix has had a halo effect on the results of broadcast media, not just the other way round as would traditionally be expected.
4. Competitor activity, both brand and DR, can often drive immediate sales to you. We usually assume that when the category is advertised, all the major players benefit. This has certainly been true in many MediaQube evaluations, often differently by competitor grouping and even media channel. This being the case, and having measured these effects, some clients have reduced or completely abstained from advertising during traditional seasonal peaks, sitting back to enjoy the fruits of their competitors' advertising. Knowing if and how your brand can enjoy this luxury can provide huge efficiencies in phasing spend.
5. Established brands enjoy longer direct response activity tails and with that greater total response. While we might have a good grasp of how fast sales start to be affected by different channel exposure, the way exposure affects sales as reach and frequency builds is less well understood. Brands with greater 'stature' often enjoy more sustained response than the new kids. No surprises here but to what extent this 'brand response premium' is delivered is key. What is also fundamental to the argument is what contributes to this stature – a combination of the brand's age, market penetration and share, gross weight of exposure and even perceived differentiation.
6. Related to that, how many sales will continue to flow without continuous activity? Brand response, or momentum sales as Quantium refers to it, is a truer measure (or to be fair, a high level estimate) of how many sales continue to flow if the CFO decides to trouser the marketing budget for a period. All good marketers in 2007 are getting to grips with this consideration, rather than doing the simplistic long division of A&P spend divided by total sales. This is one of the genuine and accountable justifications for brand building. Demonstrating how many sales the brand commands in the absence of continued ad spend allows marketers to understand the incremental value their promotions really deliver.

The discussion will be around for a while as so many MI systems and marketing departments are structured around specific channels, or branding, or DR objectives. But one thing is sure, as the channels at our disposal proliferate at an ever increasing pace, consumers don't know or care about our definitions of ATL, BTL, digital, or brand and DR. It's time we cut the crap and started living the brand promises of all marketing communicators... integration, effectiveness and accountability, in the short, medium and long term.

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