



# Are the current advertising trends putting you in Jeopardy!?

**John Hallward**

Ipsos ASI,

President, Global Product Development



**Ipsos ASI**

The Advertising Research Specialists

**“Anyone** who has begun to **think,**  
places some portion of the world in **jeopardy.**”

– John Dewey

At this time of year, I seem to get persuaded (some may even say coerced) into writing an article about advertising trends. **This is the third year in a row. It is starting to look like a trend!**

When I think of trends in the advertising sector, I sense that many of the traditional practices are in jeopardy (or at least this is an ongoing theme in the published media). This made me think about the term 'jeopardy'. Then I looked up the dictionary definition of the word: "exposure to or imminence of death, loss, or injury". Perhaps things are not quite as dire as that, but the theme still felt right enough!

Of course, the word 'jeopardy' also conjures up a mental picture of Alex Trebek standing behind a rostrum. For those not familiar with the game show, "Jeopardy!", it is an American television quiz show which features questions across a wide variety of topics. However, unlike other game shows, "Jeopardy!" takes a unique *backward approach*. It provides the *answer* to a question for which contestants then need to formulate the appropriate *question* as their response.

So, with a sector in jeopardy, I adopted the theme for my article. And true to the "Jeopardy!" game show, I have decided to approach the trends backwards; presenting the implications first, and then providing the industry trend afterward. In my mind, it is the implications of each trend which are much more relevant!



## Starting off with Round 1 of the game – the Jeopardy! Round

Round 1 – the Jeopardy! Round includes some of the more widespread ‘questions’ we often hear.

### Brand Economics for a prize amount of \$100

**The Implication/Answer:** Avoid price and promotional wars because they only give away margin.

**The Trend/Question:** What should brand manufacturers do in light of the on-going economic challenges in the developed world, including the movement to greater austerity, and against the backdrop of relatively high unemployment levels?

**Discussion:** With the on-going challenges in our globally-linked economies, FMCG Manufacturers and every-day service providers need to avoid price and promotional wars because they only give away margin. Discounting also trains consumers to wait until the next promotion to buy your product, and allows decision-making to focus on price (which favors the ‘good enough’ price-brands). Brand managers must continue to enhance the meaning of ‘the brand’ and its connection to consumers. This is where the competitive battle is won or lost. Winning here can also justify better gross margins.

One way manufacturers can add value, and connect to consumers, is to help them manage their cash flow. Avoid bundle packs that raise the overall price, in absolute. Such high acquisition costs can make your offer unattractive, especially if it is higher than what consumers are willing to spend out of their tight weekly budget. Instead, manufacturers should explore more convenient single serving portions which require less of each consumer’s wallet each shopping trip (or at least this empowers the consumer to choose how many units they are willing to buy).



### Brand Promise for \$200

**The Implication/Answer:** Focus the brand promise on the consumer's experience and less on product performance.

**The Trend/Question:** What should brands do as products and services become more and more similar? How does a brand compete when product performance differences are small, and Private Label Brands are now mostly considered 'good enough'? How does one reverse the growing trend of 'Stores' Own Brands'?

**Discussion:** It is not about what your brand does, but what your brand does for the consumer. Focus the brand promise on the consumer's *experience*, and not just on the product performance. The latter can act as the license to believe in the former, but it should not be the main message. Innovate product features, and develop brand associations in line with what consumers want to experience and feel. Explore how your brand can leverage human values, human senses, emotions, and celebrity personality.



## Internet Search for \$300

**The Implication/Answer:** Search deserves a slice of the Integrated Marketing Campaign (IMC) budget.

**The Trend/Question:** What is the role of Search? Who should be paying attention to the fact that 'Search' continues to grow, representing almost 50% of all internet "advertising" expenditure?

**Discussion:** Although many marketers might not consider 'Search' as advertising per se, it does deserve a portion of the IMC budget. It plays a significant role in the 'path to purchase' - even more so with the growth of mobile smartphones. While shopping, consumers can now use their smartphones to better learn what they need to know about your brand, or competitors, to make their final brand choice.

Since different touchpoints work in different ways against different stages of the 'path to purchase', it is important to make sure an integrated campaign addresses each stage (for a cumulative positive impact on consumers). We recommend that clients aim for a 300+% impact on their target consumers. That is, each consumer needs to be touched by 3+ touchpoints to help them get started on their path to purchase, to arrive at the end to their final brand choice. And that is typically where Search plays a role: when consumers search, they are often engaged and receptive to the brand message. Now is not the time to be 'out of stock' on the digital electronic shelf. Perhaps not sexy, but still relevant.





## Media Planning for \$400

**The Implication/Answer:** Embrace media fragmentation as ideal for targeting.

**The Trend/Question:** How should a brand plan a media buy in the ever-fragmenting world of Television (i.e. lower ratings per show), declining print audiences, PVRs, and media-on-demand?

**Discussion:** Appreciate that media fragmentation is not such a bad thing. I recognize that media buyers must work harder to achieve Reach goals, however, fragmentation allows marketers to more precisely target and only pay for the audiences they want. For example, in the good old days, the big-audience, highly-rated (expensive) TV shows always included less relevant targets. Now one can more precisely hit the desired target, while avoiding collateral waste.

- In this fragmented world, advertisers should be focusing on *Reach*, with the goal of avoiding duplicated Frequency while maximizing Reach. They should repeat this cycle over and over again, as affordable, and on a continuous basis. Think Recency Planning.
- Smart planners will also wish to focus on the *quality* of exposures (even if some media exposures will cost more per point). This is media receptivity. It is about caring more about 'Likelihood to See' rather than the traditional 'Opportunity to See'. It is important because buying low cost exposure without quality engagement is wasteful and can be an inefficient use of money.
- Buy *unique special (popular) events* (e.g. Olympics, Super Bowl, FIFA World Cup, Academy Awards) which often provide high reach, with quality engagement. We do not recommend buying the 'gold' media package as it often results in excessive Frequency during the event. Participation is important, but not at the full package/price. The plan is to achieve the Reach, while avoiding paying too much for the extra Frequency.

## Moving on to Round 2 – the Double Jeopardy! Round

Round 2 is where the ‘questions’ could have large implications on communications strategy and investment (and where the prize amounts are doubled).

### Global Strategy for a prize amount of \$200

**The Implication/Answer:** Consider splitting large global campaigns into more regional executions.

**The Trend/Question:** What should global brands do in light of the on-going divergence between the economically depressed ‘developed’ markets and the growth + significance found in the ‘emerging’ markets (often with rising numbers of young in their populations)?

**Discussion:** Although some brands have successfully identified universal human insights to leverage for their global brand positioning or big idea, we suggest splitting the global campaign into more regional executions. Appreciate that local cultural differences can be significant. Appreciate that as *connected* ‘Prosumers’ gain in power, it will become even more important to sate their local (and nationalistic) desires, *on their terms*. Global brands need to offer tastes, fragrances, human values, personalities, etc, which best match the local markets, so as to best compete with the alternative (established) local brands.



## Social Networking for \$400

**The Implication/Answer:** Use social networking for a specific focus.

**The Trend/Question:** How should a brand consider the growth of Facebook (and other social network sites) as a touchpoint?

**Discussion:** Social networking should likely be a part of the IMC effort, but with a specific focus on what this touchpoint is good for, and which social networking site is the right site for your brand. Social networking is important, but in context! Work to understand the value of a Facebook Fan, your 'likes', and the objectives of your investment (versus alternate use of the money). Determine which Social Network makes sense for your target – which sites do they frequent? Facebook is just one of many venues to social networking.

In addition, there are increasing conversations about the relevance of its impact, the low overall Reach for any one brand (as a percent of its global target), the 'Frequency of engagement' per purchase cycle (think Recency Planning again), and the reasons consumers become fans in the first place (who and why?). Some research demonstrates that consumers primarily become a fan to get promotional deals, and are not coming for a 'relationship'. In our Ipsos ASI databases of evaluated IMC initiatives, we see an impact of social networking, but it is often not a key touchpoint, owing to low Reach. The new frontier is no longer the number of Fans, but the relevance, content, and nature of the Fan engagement.



## Data Insights for \$600

**The Implication/Answer:** Focus on the few key insights you need to make your business decisions.

**The Trend/Question:** How should companies consider the growth and availability of Big Data (sales behavior, media viewership, Facebook personal data, cookie/tagging data, loyalty program data, etc)?

**Discussion:** When it comes to Big Data it is critical to clearly articulate the business decisions so that you can effectively determine the answers you need. Remember Big Data is just more data, but not necessarily useful, smart, or relevant data. And we are all likely learning that more data does not translate into more insights. Often such passive data is interesting for describing 'what' is happening, whereas the useful insights rest in 'why' it is happening. To be productive, outline the few key questions that will drive your business forward and focus on answering them. This is about being smart, relevant and focused. We do not need to understand everything and anything about consumers, especially if this slows us down. We often just need a few, new smart insights to become more effective.



### Creative Content for \$1,000

**The Implication/Answer:** The ROI of a campaign is multiples higher when the creative content is engaging, meaningful, and addresses what consumers want to feel/experience.

**The Trend/Question:** What is the number one thing an advertiser needs to focus on in the IMC plan in this dynamic, evolving world of connectivity and expanding touchpoint choices?

**Discussion:** The emotional relevance of (creative) content is the key element to focus on, being more important than media weight, share of voice, frequency of exposure, media receptivity, targeting, etc. Every time we analyze our databases the conclusion is the same: the ROI of a campaign is multiples higher when the creative content is engaging, meaningful, and addresses what consumers want to feel/experience. As in the past, delivering this content in a well told and branded story is essential; perhaps even more so in this connected world of shared stories, experiences and retransmission.

This is not about what you want to say, but what the consumer wants to experience. It is critical to get the creative content right. Content quality is so important that advertisers should do everything in their power to ensure only *above-average creative* is aired. Re-engineer your business process to ensure it. Incent your creative agencies to deliver it. Track your performance to confirm it. And be quick to evolve to maintain it.

**So this is how we would answer the questions posed. However, if there are questions that we did not answer we would be happy to hear from you to discuss further. We would also be happy to further discuss and share our thoughts and lessons learned with you. Ipsos ASI has refreshed its "Lessons Learned" presentation from observing the pros and cons of thousands of in-market campaigns. Please, let us know. And all our best for 2013!**

## About Ipsos ASI

Ipsos ASI is the advertising and communications market research company you can consistently count on for the best quantitative and qualitative results that point the way to the most profitable actions. Ipsos ASI is part of the Ipsos organization. Founded in Paris, France, in 1975, Ipsos is the only independent, publicly-listed research company that is controlled and managed by research professionals. Ipsos is a leading global research company focusing on six core specializations: Advertising, Marketing, Media, Opinion and Customer Relationship Management research, and Data Collection and Delivery. With offices in 66 countries, Ipsos conducts research in more than 100 countries.

### For more information, please contact:

**Leah McTiernan**

Vice President, Ipsos ASI

[leah.mctiernan@ipsos.com](mailto:leah.mctiernan@ipsos.com)



**Ipsos ASI**  
The Advertising Research Specialists