



Beating the media squeeze

Knock 'em dead creative is still the best way to maximize your media buy

by Thomas Stirr

(originally published in Marketing Magazine, February 19, 1996)

It's no secret that marketers are in the hot seat to generate more performance from ever shrinking ad budgets. The fundamental question is whether a large differentiator still exists. If not, we are relegated to incremental efficiency improvements through squeezing media buys and beating up our suppliers to lower their margins.

In his Marketing column of April 3, 1995 (p. 11), John Dalla Costa discussed advertising research done by Jon Phillip Jones of Syracuse University. After studying hundreds of consumer brands in 60 categories, Jones' research concluded that unless advertising broke through and generated immediate response, there was no potential for cumulative effects through frequency.

As Dalla Costa wrote, this revelation turns everything we've learned about advertising upside down. It potentially means that reach is more important than frequency, that the life of a given piece of creative may be greatly shortened and that it may be prudent to accept "throwaway" production values.

It also brings into question how agency compensation should be structured. Will frequent changes in messaging and the additional development costs attached to those make the 8% to 12% commission currently paid by most advertisers a thing of the past?

Even in our small world of business-to-business advertising, we have seen parallel results of the Jones' research. Without question, advertising can generate a large and immediate response. Within 24 hours of a publication reaching its audience, we start to get coupon replies via fax. Within three days, we see a consistent and measurable surge in mail response. The first hit of a new piece of creative buried our telemarketers for weeks. Coupon response rose 60% year over year, almost reaching direct mail reply levels.

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In recent years, our formal communication tracking studies have proven that there's a direct relationship between the ability of advertising to generate immediate coupon response and other performance measures like brand awareness, ad awareness, brand image mapping, ad selling capacity, and retail purchase action.

From our perspective, the answer is clear. Advertising that generates significant, immediate response blows the competition out of the water on all longer-term advertising performance measurements.

The substantial increase in coupon response we saw in 1995 corresponded to significant improvements in brand image and a huge advantage over our competition in terms of advertising selling capacity. We also saw major improvements in buying purchase intent.

Through the integration of three different databases, we have also been able to associate individual coupon responses to specific unit sales and calculate return on investment and advertising to sales ratios. For example, our 1994 campaign generated an advertising-to-sales ratio of 122:1. Related unit sales number well into the hundreds, and revenues from these sales in the tens of millions of dollars. Market share gains have also been directly related to increases in response rates. In 1995, share grew 4% in a critical market segment.

So, if you really want to improve the efficiency of your media buy, don't look at the media folks at your agency. They're buying commodities. Even the sharpest of them is only going to get you a 2% to 5% advantage. Scores of well-intentioned media buyers toiling in back rooms simply can't overcome the gap if you burden them with bad creative. Without question, the big media-buy differentiator we're all looking for does exist, and he or she lives in the creative department.

That's not to say we should forget the little things. We still need to look for incremental cost reductions. Find more efficient production methods. Eliminate unnecessary paperwork and reports. Reduce the time spent in non-productive meetings. Get rid of some of the legions of account people and go between if they add cost without value. Take every 2% or 5% that the media buyers can squeeze out for us.

None of us buys what something is; we buy what it does for us. A media plan that is clinically measured in terms of cost improvements like GRP's, CPM's and the like is meaningless, and the money spent on it wasted, if customers do not respond.

To dramatically improve media performance, we have to focus on buying what's fundamentally important and what this part of the business is all really all about: knock 'em dead creative. After all, an empty page in a magazine or a silent 30-second spot never sold a thing and never built a brand.

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