



## FEATURED INSIGHTS

DELIVERING CONSUMER CLARITY

# THE ART OF EFFECTIVE ADVERTISING

## THE 3-C FRAMEWORK OF CONTENT, CONTEXT AND CONSUMER

- Only one out of five advertising campaigns on television turn out efficient and effective.
- Choosing the right measurement parameters in the face of too much data is key to deriving actionable insights.
- Measuring the value delivered by media is becoming increasingly important as brands continue to allocate larger proportions of marketing budgets to it.

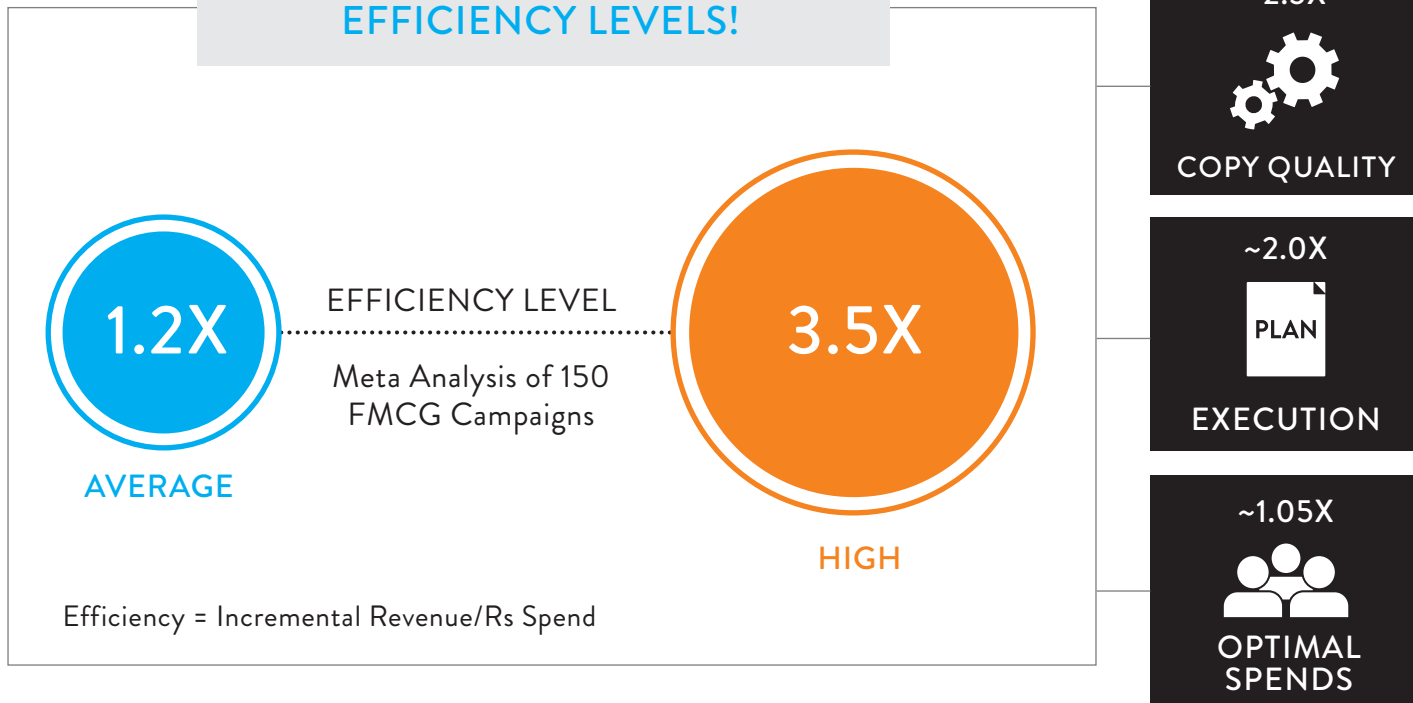
Stephan Vogel, Ogilvy & Mather Germany's chief creative officer, has said "Nothing is more efficient than creative advertising. Creative advertising is more memorable, longer lasting, works with less media spending, and builds a fan community...faster."<sup>1</sup> But in the world of marketing, creativity needs to convert into sales. Are brands succeeding in making the creative in their advertising campaigns as effective as they should be?

Nielsen's marketing mix work in the FMCG space has found that television advertising drives about 50% of incremental sales for a brand. Our meta-analysis showed that the average efficiency of a TV campaign in driving incremental sales is **1.2X**. This was seen to as high as 3.5X in case of stronger campaigns.

Werner Reinartz and Peter Saffert, "Creativity in Advertising: When It Works and When It Doesn't," Harvard Business Review, June 2013. <https://hbr.org/2013/06/creativity-in-advertising-when-it-works-and-when-it-doesnt>

CAMPAIGN EFFICIENCY LEVELS

1 OUT OF 5 TV CAMPAIGNS HAD 3.5X EFFICIENCY LEVELS!



Source: Nielsen

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OUR FINDINGS INDICATED THAT CAMPAIGNS WHICH OPERATED WITHIN AN OPTIMAL RANGE OF SPENDS SAW A FURTHER IMPACT OF 5-15% IN DRIVING INCREMENTAL SALES.

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## THE 3C MODEL

So how can marketers ensure content quality, execution and spends are at optimal levels? At Nielsen, we believe the solution to this issue is a “3-C” framework. By focusing on consumers, content and context, brands can drive campaign success and deliver better advertising.

### THE 3CS DRIVING CAMPAIGN SUCCESS

#### CONSUMER

HOW DO I REACH  
THE CONSUMER  
EFFICIENTLY?



#### CONTENT

HOW DO I MAKE MY  
CAMPAIGN MORE  
IMPACTFUL?

#### CONTEXT

WHAT IS THE  
CONTEXT OF  
MY CAMPAIGN?

Source: Nielsen

Reaching the consumer efficiently is the first step towards efficient advertising. Consequently, brands need to focus on accurate reach in addition to considering total reach. While there is robust measurement available for television, there are no powerful reach measurement tools in case of digital. And the right tools are essential. Nielsen’s [Digital Ad Ratings](#), for example, enables marketers to choose the right publishers by looking beyond their reach or traffic numbers to the on-target reach they offer.

Secondly, effective television advertising's content should capture the viewer's attention in the first five to seven seconds because that is where the risk of losing the consumer is highest. The content must also engage consumers and activate their memory at the moment of purchase. Empirical evidence shows that the use of elements like multisensory stimulus, motion that helps direct viewers' gaze and a central visual field that garners maximum attention of viewers, have a deep impact on the memory, making advertising content with such features more effective.

The third important pillar in making advertising more effective is context. Brands could consider priming their advertising campaign within an appropriate context. At any moment when consumers engage with a stimulus or any content, they are "primed" by what they have been exposed to previously. It has been found that if the content of the advertisement matched the contextual theme, it performed significantly better across key neurometrics.

In conclusion, advertising campaigns need to be tracked and modelled around the 3-Cs. When put to use, the 3-C framework can generate significantly better return on investment for advertising campaigns across media, thereby ensuring better marketing effectiveness for spending.



# THE ROLE OF CAMPAIGN MEASUREMENT IN DRIVING EFFICIENCY

## MARKETING EFFECTIVE CASE STUDY: TATA GLOBAL BEVERAGES

- BY: GARTH VIEGAS, GLOBAL INSIGHTS DIRECTOR,  
TATA GLOBAL BEVERAGES

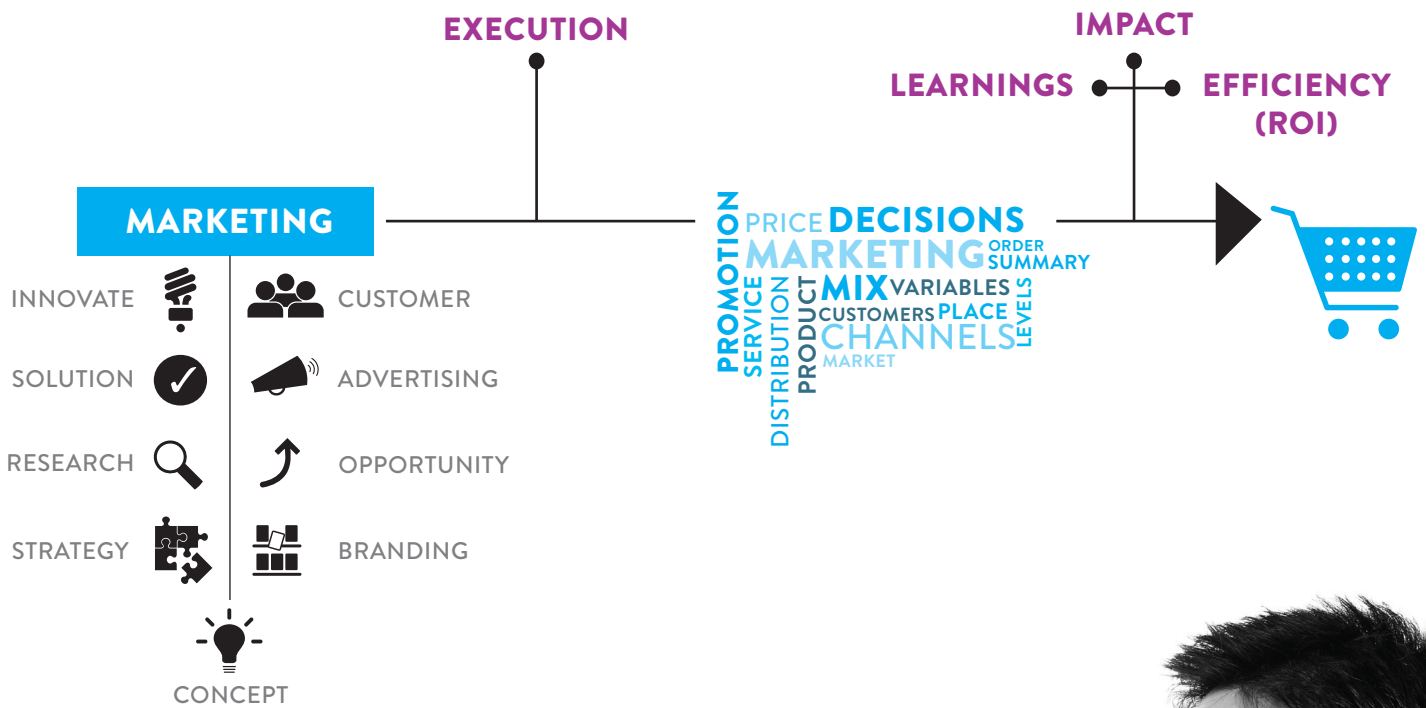
Marketing spend effectiveness is about stretching your dollar and, essentially, trying to get more, from less. Marketers are still faced by the advertising cliché: 'half my advertising money is wasted; the trouble is that I don't know which half'. However today, as an insights community, we have become smarter and we can track our spends much better. If at all, the challenge today is that there is an oversupply of metrics and very often we tend to pick the ones that are moving up. It's like a buffet, where we only pick the winning measures. In order to ensure success, it is important measure marketing spend effectiveness gauging the right parameters.

## IMPACT, EFFICIENCY, LEARNING

In a traditional marketing organisation, we measure effectiveness through various dimensions. The first in this is usually impact – how did your communication impact brand awareness, sales or other such areas. Then there is efficiency – how much does it cost for every additional unit sold or measure of awareness. A third dimension is what we try and get in terms of knowledge or learning.

If you break this down – winning at the point of awareness or at point of buying or changing behaviour – are all just some of the measures that we track to measure marketing effectiveness. As an industry, we have focussed significantly on measuring impact, efficiency and even learning but we rarely measure execution. How competently we execute a program is a very important question because that is where we can learn how to move forward. It sounds simple but I have been doing this for 18 years, and I see very few marketers focus on measuring execution.

# MEASURE BEYOND CONSUMER IMPACT



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AS AN INDUSTRY, WE HAVE FOCUSED SIGNIFICANTLY ON MEASURING IMPACT, EFFICIENCY AND EVEN LEARNING BUT WE RARELY MEASURE EXECUTION.

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For measuring a marketing plan, I would recommend a divided gauge between impact and execution. Measurement allows for a clear line of sight between these two aspects. That being said, it is first important to create a measurement and learning culture. There is no magical formula to measure marketing spend effectiveness. We have many tools but I believe it's about creating a culture that requires a cross-functional team. The finance guys, for instance, make great partners because they are very logical in the way they think. Also plan for measuring, when you are actually planning the marketing campaign, very often we run a marketing campaign and measurement is an afterthought. We should instead build this upfront because then you can expect something reliable.

## CREATE A MEASUREMENT AND LEARNING CULTURE

- ▶ A CROSS-FUNCTIONAL EFFORT
- ▶ PLAN MEASUREMENT WHEN PLANNING THE MARKETING CAMPAIGN (NOT AS AN AFTERTHOUGHT)

## DON'T MEASURE EVERYTHING

A marketer's tendency is to try and measure everything. On most occasions, this is motivated by the need to close a quarter or a month. We have to understand that both short term and long term objectives are important. Another principle I follow is to measure new activities. If the measurement cost is more than the campaign cost, it goes against a marketer's intuition. But I still recommend measuring a new campaign because arguably that helps to learn. Again here, don't try and measure everything – pick the two or three dimensions that you want to measure.

We are very good at measuring impact but if we do begin measuring execution and the quality of the activity, it will surprise us to see the kind of learnings there are. It does not cost money and we can really generate our own learnings. We think of measurements as an end game, but for me it's a red thread that links the strategy down to tactics to then measurement. We have to remember that measurement is a cross functional initiative – you cannot do it ably by yourself.



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MEASURE “NEW INITIATIVES” OR “NEVER DONE BEFORE INITIATIVES” TO GENERATE LEARNINGS – EVEN IF THE COST OF MEASUREMENT IS MORE THAN THE COST OF THE CAMPAIGN.

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# MEASUREMENT IS KEY TO DEMONSTRATING VALUE

## THE MEDIA PERSPECTIVE ON MARKETING EFFECTIVENESS

- BY: KARTIK SHARMA, MD, MAXUS, SOUTH ASIA

The media agency side of the business has not done a great job of marketing effectiveness for several years now. What we have been chasing is vanity measures that are useful up to a certain point, but miss the larger story. For most companies, which are involved in marketing of some form, a large portion of their marketing budget goes into media. Nowadays, media effectiveness has become boardroom conversations with key stakeholders such as CEOs and CMOs getting concerned on marketing ROI and media at the centerstage of these conversations. It's critical that media as an industry, demonstrates its value.

To that effect, we need to understand media performance in different ways. There is an increasing need for sophistication of reported metrics such as reach, GRP, delivery and so on. We also need to improve the sophistication of insights and grow from very basic insights such as single channel reporting to sophisticated analysis such as multichannel attribution and analytics. The good news is that we now have the necessary tools and techniques to address these areas

## NEED TO UNDERSTAND MEDIA PERFORMANCE IN MULTIPLE WAYS



INCREASING THE  
SOPHISTICATION OF  
REPORTED METRICS

BASIC

MEDIA DELIVERY METRICS  
(E.G. GRPS, ETC.)

BETTER

CONSUMER ENGAGEMENT METRICS  
(E.G. CONSIDERATION, FOOTFALL, ETC.)

BEST

BUSINESS PERFORMANCE  
METRICS (E.G. SALES, ROI, ETC.)



INCREASING THE  
SOPHISTICATION  
OF INSIGHT

BASIC

SINGLE CHANNEL-LEVEL REPORTING

BETTER

CONSOLIDATED REPORTING  
(DASHBOARDS, ETC.)

BEST

ADVANCED MULTI-CHANNEL  
ANALYTICS (ECONOMETRICS,  
ATTRIBUTION, ETC.)

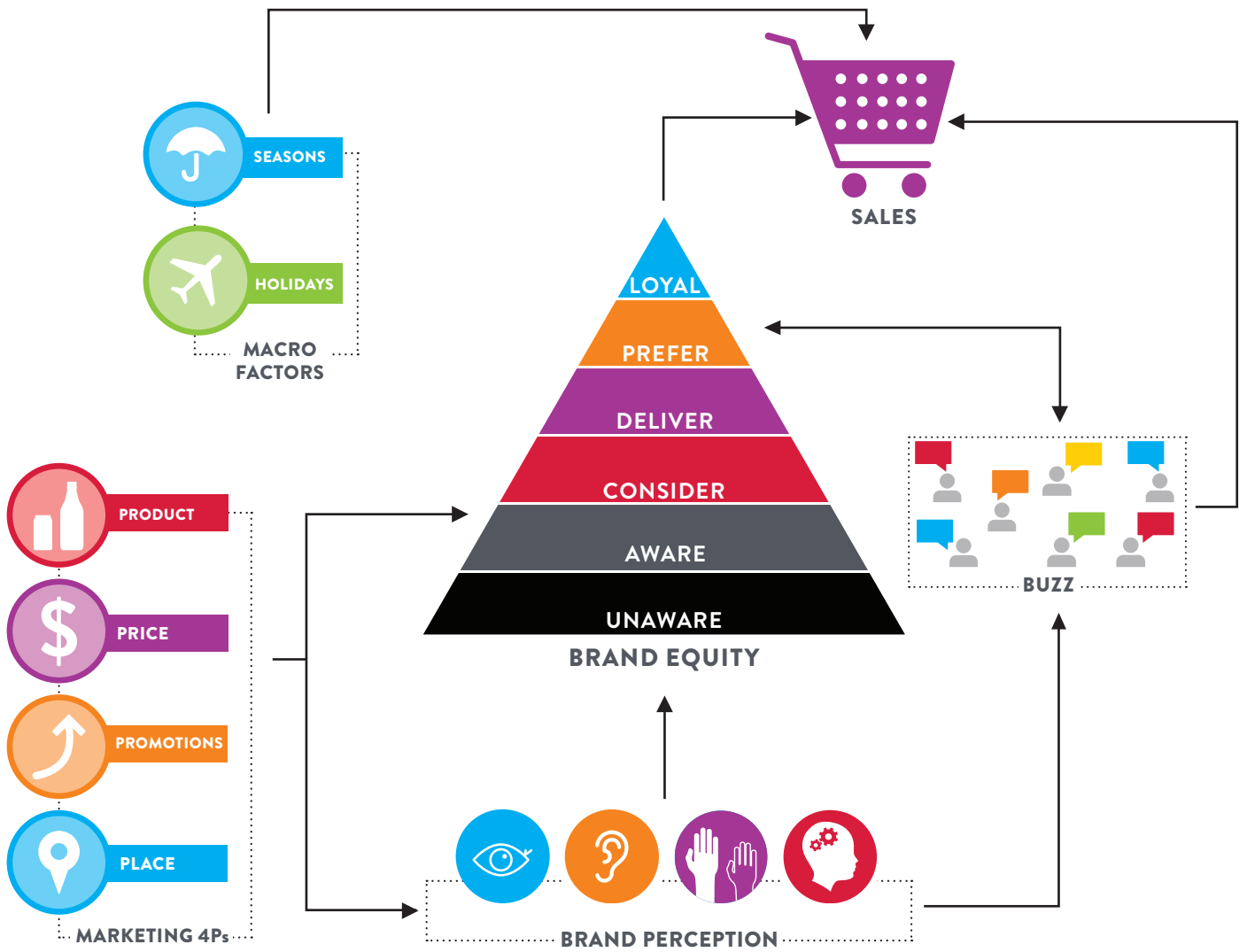


The starting point is good data visualization which if done well can help give a bird's eye view of the opportunities and challenges. Media professionals need to move beyond excel sheets to presenting data in a powerful and creative way. Once data is visualized, marketers can deploy techniques such as market mix modelling which helps deconstruct the quantitative value of various marketing mix factors such as distribution, price, competitor activities, media inputs etc. The reality of the market is barring a few marketers, most of them do not conduct enough market mix modelling to understand the relative contribution of various marketing mix in building business.

## **THE INTEGRATED MARKETING APPROACH**

Given the non-linear nature by which each of the marketing inputs affect business outcomes, we developed a framework called Integrated Marketing ROI which scientifically connects all the inputs and gives a cohesive picture of how all the elements impact business. This allows us to see the interplay between inputs (e.g. TV advertising triggering social media buzz which in turn impacts intend to buy and so on) and pinpoint the relative value of all the marketing mix elements and thereby arrive at a holistic ROI for the business.





While marketing effectiveness relies on analytics and sophisticated tools, at the heart of it is “creativity”. We are living in an era of the trinity where data, digital and content have come together seamlessly to tell powerful brand stories. This is something that all of us intuitively see in our personal lives too. The big opportunity for marketers and agencies is to put creativity at the heart of everything that we do.

## ABOUT THE AUTHORS



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Arjun Trehan from the Nielsen Marketing Effectiveness team contributed to this issue of Featured Insights

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## ABOUT NIELSEN

Nielsen N.V. (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers Watch and Buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services across all devices where content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen provides its clients with both world-class measurement as well as analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries that cover more than 90 percent of the world's population.

For more information, visit [www.nielsen.com](http://www.nielsen.com).

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