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MARKETING & CREATIVITY

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ADVERTISING

Affirmation beats aspiration: why gritty realism is selling

Adverts depicting everyday scenarios that viewers can relate to as people first and consumers second seem to be gaining more traction than traditional escapist content. What's behind this trend?

Sean Hargrave

Throughout his long career in advertising, Elliot Harris has helped to create many commercials, but none has generated anything like the response achieved by one that he worked on recently for a common household cleaning product.

The ad depicts a day in the life of a family with two teenage daughters, one of whom is living with autism. Her parents go to great lengths to ensure that she attends school, only for her to want to go home after an accidental bump into another pupil. In search of some comforting stimulation there, she plays the drums loudly enough to rile her sister, who takes revenge by hiding her favourite hoodie, which their father has just treated with Vanish stain remover and laundered. Until this item is back in her possession, she cannot face returning to school.

The key message is that the brand, which is designed to make clothes last longer, understands how important particular garments can be to people with autism.

"We've never seen a response like the one to this ad," says Harris, who is creative partner at Havas London. "People have been phoning to thank us for showing the world how autism affects their family life every day."

The campaign forms part of a wider marketing trend in which companies are trying to show that they are decent corporate citizens who truly understand the lives of their consumers and the worlds they inhabit.

"People will always want good products, but now they're becoming increasingly concerned about how those products are made and how the brands behind them operate," Harris says. "At the same time, viewers want to be made to feel like people, not consumers, by advertising. It's a clear message – and brands ignore it at their peril."

The idea for the ad originated from the Diversity in Advertising Award, an annual competition in which Channel 4 offers £1m of free commercial airtime to a campaign that embraces diversity. The 2022 award brief sought content that would "tackle the ongoing lack of authentic portrayal and representation of visible and non-visible disabilities".

So, the team at Havas London decided to work out how to do this with a stain remover. With help from the Ambitious About Autism charity, it learnt that people with the condition often become deeply attached to favourite garments. This was crucial, Harris reflects, because a brand has to establish a proper connection with a cause before it can promote that cause with any kind of credibility.

Zinkevychvia Gettyimages

Lending the Vanish campaign further realism, the autistic schoolgirl featured in the campaign actually does have autism – and her on-screen relatives are members of her family. They even helped the commercial's director, Tom Hooper (the Oscar-winning director of The King's Speech, which centres on stammering), to piece together a typical day in their lives, informing his approach to the project.

Harris recalls that the brief from Channel 4 advised competitors to consider not only the portrayal, but also the representation.

"'Portrayal' means getting all the details right, while 'representation' means giving viewers a sense that they could be there," he explains. "If we couldn't get those two things right, people would wonder why on Earth we were talking about autism and a stain remover."

The idea of injecting a large element of realism into advertising isn't new, of course. Rachel Cook, managing director of brand consultancy Thompson, points out that the sector was doing this nearly 20 years ago when skincare brand Dove started featuring ordinary women in its ads, rather than relying on professional models.

"It's just taken a long time for other brands to pluck up the guts and get more 'real'," Cook declares. "Instead of merely flogging cellulite cream and washing powder, they are now aligning themselves with social causes because it's been proven by everyone from McKinsey to Mattel that consumers are more likely to choose and champion a brand that wears its purpose on its sleeve. The creative approach is therefore about finding a sense of humanity and connection."

She also believes that, in an era when people are becoming more concerned about computer-generated material, consumers may be gaining a new appreciation for content that clearly features genuine human emotions.

"We're not far from a time when entire ads could be AI-generated. But this is raising all sorts of interesting questions about originality, ethics and, of course, authenticity and humanness," Cook says. "The more that we consumers are seeing 'unreal' stuff in other media, the more that we're craving reality – especially from brands, which are trying to sell us things."

The increasing supply of – and demand for – ad content featuring the realities of everyday life comes down to the fact that we're living in troubled times. That's the view of Mick Mahoney, creative partner at brand communication consultancy Harbour and former chief creative officer at Ogilvy. He believes that the emotions that brands try to evoke in their ads to encourage people to like them and their products are more important than ever.

"The most powerful way to reach people is through a recognisable human emotion. No purchasing decision is ever made with the head. It's always with the heart," Mahoney argues. "The reason we're seeing a resurgence of 'real' is the threat we find ourselves under, financially, technologically and physically. We're feeling vulnerable, so brands are tapping into our need for human connection and the reassurance this offers."

The trend towards realism has been bubbling under the surface. It's taken a few more campaigns to reveal the positive reaction from people when companies understand them and see them as more than mere sources of income. As the cost-of-living crisis grinds on, the time is right for advertisers to show genuine empathy with consumers, rather than constantly pushing products with no emotional connection or meaning built in.

31% of marketing campaigns with emotional content reported large profit gains

while only **16%** of campaigns with rational content reported similar success

Neuroscience Marketing, 2009

Klaus Vedfelt/via Getty Images

TECHNOLOGY

Never mind ChatGPT: inside marketing's quiet revolution

The rise of generative AI tools may have grabbed more attention in recent months, but it could be argued that creative automation has greater potential to reshape the sector

Jonathan Evans

The arrival of ChatGPT in November 2022 sparked an explosion of debate among marketing profesionals about how the advance of generative AI tools might affect their work. Yet this is not the only tech-driven upheaval the industry is facing. Happening alongside the rise of generative AI, but with origins stretching back further than last year, is the creative automation revolution.

As its name suggests, creative automation is the use of technology to mechanise various aspects of content generation. By combining elements of AI, design automation and data-driven decision-making, it streamline the production of marketing material. In doing so, creative automation eases one of the biggest challenges that marketers face: how to deliver a reliable supply of relevant (ideally, personalised) content across several channels to attract and retain the attention of modern consumers in an always-on digital economy.

Achieving the desired quality and quantity of output is hard enough in normal economic conditions, let alone at a time when ad budgets are squeezed and beleaguered consumers tire quickly of monotonous messaging. For instance, a survey of US consumers by software developer Celtra found that two-thirds of respondents regarded brand ads as repetitive and didn't want to see the same material over and over.

By removing the repetitive manual tasks involved in the production process, creative automation enables marketers to create assets in the timely and cost-effective way required to deliver higher-quality content on a global scale. That's the view of Gareth Davies, CEO of creative agency Leagas Delaney.

"The reality of creative automation is that it lets you deliver a product of consistent quality," he says. "It typically allows you to generate assets 10 times faster than you would by using conventional manual processes – and somewhere in the region of 80% cheaper. When you consider that much of the financial benefit of working in an agency is driven by large-scale creative production, it's clear that automation will reshape our industry in the coming years."

But despite such predictions, the World Economic Forum revealed in its *Future of Jobs 2023* report that the global uptake of automation has not been as fast as it had initially expected. In the marketing sector specifically, this can be attributed to one key factor: a concern, held by many in the industry, that the adoption of cutting-edge tech could have a detrimental effect on creativity.

This concern has heightened since the emergence of generative AI tools. For marketing campaigns, creativity and novelty are key to forming connections with consumers that last. It's not surprising that the idea of being able to pump out content faster, with minimal human involvement, has been greeted with some scepticism.

Felipe Thomaz, associate professor of marketing at Oxford's Saïd Business School, believes that the sceptics have little to worry about in this respect. He suggests that, by taking care of the aspects of content production that are simply about asset management, automation will enable – and, indeed, oblige – marketers to devote more attention to the creative side of their work.

Thomaz explains: "Generative AI tools and creative automation have dropped the production cost floor to an exceptional degree. Because of that, we're about to enter a marketplace filled with high-quality noise. Here, the last bastion of value creation is the big idea. While the floor has dropped, the ceiling remains that 'big C' of creative thinking. Work that's not only beautifully produced but also genuinely moving will still resonate most with consumers – and that's where brands will see the most value."

Before investing in creative automation, brands will need to consider whether their marketing function needs to be restructured, given that parts of the content generation process will be mechanised.

Jim Lecinski is clinical associate professor of marketing at the Kellogg School of Management at Northwestern University, Illinois. He advises brands to ask themselves exactly what they want to achieve through creative automation, seeking views from all team members.

"This is not only about tech; it's also about people, culture, workflow, measurement and leadership," Lecinski stresses. "What we're talking about with creative automation is a 'human plus machine' relationship, where advanced technologies augment what people are doing."

> This is not only about tech; it's also about people, culture, workflow, measurement and leadership

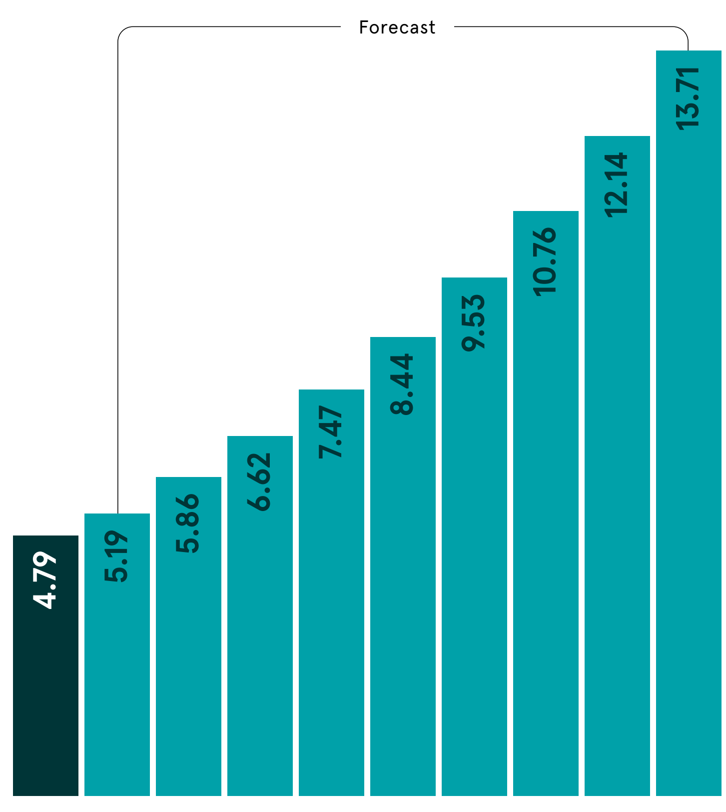
The debate about whether AI and other tech will augment or replace human intelligence has intensified over the past six months. A recent report by Goldman Sachs has estimated that 300 million jobs could be lost to automation globally. PwC, meanwhile, has predicted that 30% of all roles will be at risk of automation by the mid-2030s.

While Lecinski foresees a future in which the human-machine alliance is strong, Davies is less certain. Pointing out that the profits of many network agencies are bolstered by the fees they charge for asset production, he predicts the cost-efficiencies brought by automation will catalyse a structural overhaul of the whole marketing sector.

"Automation does pose questions about the structure of the industry. Some are difficult to answer, because they're asking about the extent to which our methods are going to change," Davies says. "The significance of automation is that, because it provides a cheaper way of producing assets, it could result in a tectonic shift in how agencies are constructed and what marketing itself looks like."

GROWTH IN MARKETING AUTOMATION

Marketing automation market revenue worldwide, $bn



Statista, Polaris Market Research, 2023

The marketing mind behind healthcare's creativity push

Consumer healthcare marketing has shouldered criticism for falling short of connecting with consumers. Meet the chief marketing and information officer who says the industry is ready for a creativity overhaul

There is perhaps no industry quite as ubiquitous as consumer health. Every home has its medicine cabinet of supplies: in spring, we stock up on allergy medications, and in winter, cold and flu remedies, armed against every sort of respiratory and inflammatory affliction.

Despite its virtues, the sector has developed a reputation for clinical, take-one-pill-twice-a-day messaging that, while informative, reinforces the consensus that the consumer health category is impersonal. Or worse: boring.

"It shouldn't be that way," says Patricia Corsi, global chief marketing and information officer of Bayer's consumer health division. "Healthcare is predicated on improving people's quality of life. So why is it struggling to connect with the very consumers it wants to help?"

Corsi blames a yawning creativity gap which has become ingrained in medical marketing. She argues that humanising the industry is an essential first step towards breaking down barriers and engaging communities that are often overlooked or underserved by the system.

That means companies need creatives at the helm who understand the real issues consumers face. "But there's a wrong way and a right way to be creative in this context," Corsi says. "Bold, inventive campaigns should be used to solve a problem. Marketing teams should never feel the need to invent a problem because someone thinks they've had a 'brilliant idea'."

Brands don't need big pots of money to deliver memorable and impactful campaigns. She continues: "I have seen amazing work coming out of brands that had very little budgets, and I have seen very poor work coming from brands with unlimited budgets." Regardless, creativity should be seen as non-negotiable.

Trust, respect and engagement

Across healthcare marketing, many industry professionals still fall back on instructive or directive campaigns. But according to Corsi, the past 18 months have been transformational for the industry, with creativity hotting up.

"This is an opportunity to keep asking ourselves why we're striving to be more creative," she says. "What's the rationale behind it? Does it serve the community, the people, and the business? If not, it might be time to go back to the drawing board."

The industry is uniquely positioned to deconstruct taboos around sensitive subjects, including women's health, mental illness, and ageing – there is a litany of deeply complex topics that deserve to be discussed. Being brave is key here, Corsi explains.

That philosophy led her to build Bayer's Vagina Academy campaign for Canesten. As well as delivering business results, the project encouraged women globally to talk more openly about intimate health. Beginning in Brazil, the Academy has since expanded worldwide.

In a groundbreaking turn of events, Corsi's team even managed to officially remove the censorship of the word "vagina" across a number of online platforms, marking a breakthrough in the movement to educate women and girls on the topic.

Stories like this are a reminder that creative consumer health brands are capable of redefining the status quo.

Regulation and creativity go hand in hand

Healthcare marketing must remain in tight lockstep with regulation. The trick, Corsi says, is to engage strategic partners and regulatory teams early in campaign planning. Doing the work now and asking for approval later is a risky play that seldom pays off.

"Besides," she continues, "when you involve brand partners and bring them on a journey with you, they're more inclined to look for solutions versus being a 'yes or no' function. This is where we see the strongest results."

Creative healthcare storytelling, done right, sticks with consumers and delivers life-changing lessons while keeping regulators happy. Corsi shares an example of a Bayer campaign for Aspirin predating her tenure at the company: the Hero Smiths campaign, targeting heart health. Leveraging the widespread presence of the surname "Smith" in North America, the company crafted a narrative around the idea that if everyone named Smith carried a single Aspirin with them, millions of people could potentially aid someone experiencing a heart attack.

The campaign harnessed testimonials from individuals who had lived due to the timely administration of Aspirin. Corsi recalls: "You had very emotional stories, but they were linked to very powerful healthcare insights."

The pandemic marked a sea change in how consumers interact with healthcare. The industry, which has traditionally used science as a point of difference, took centre stage in a new way.

"We need to make sure we don't lose this opportunity," says Corsi. "Discussion of science-led self-care is more acceptable now among friends, family members, and co-workers. It makes sense for brands to go a step further and talk to people, not like they're doctors, but like they're informed citizens."

AI's role is expanding quickly

The next frontier for healthcare marketing is how it will co-exist with artificial intelligence. Generative AI, text-to-image, and text-to-video capabilities could have a transformative impact, allowing marketers to feel more comfortable breaking the mould.

That said, Corsi jokes: "I haven't seen any machine with a good sense of humour. And humour is one of the cornerstones of communication, business growth, and creativity."

AI will primarily tackle repetitive tasks offering teams more time to focus on research. This rigour of spending time understanding audiences, challenges, and contexts will pay the biggest dividends in the long run.

"Without those things, you can't write a great creative brief. And without that, it's much harder for creatives to do their job. Rigour is ingredient number one," Corsi says.

Brand building and creativity must also cater to short- and long-term outlooks. There's an opportunity when talking about vitamins, for example, to help people think in terms of prevention and seek solutions before problems occur.

"Every product in consumer health is meant to help someone live their lives better, to cure something, to help them enjoy life at its fullest. But we tend, as humans, to act after something happens. We are reactive," Corsi explains. "Because of that, messaging that leans too heavily on the positives or negatives can backfire. There's a balance to be struck."

Looking to the future of healthcare marketing, Corsi is advocating for creativity twinned with science. "We need to humanise the industry," she says. "Consumer health marketing has been waiting for a shot in the arm for some time. We're finally seeing progress."

> Discussion of science-led self-care is more acceptable now. It makes sense for brands to talk to people, not like they're doctors, but like they're informed citizens

For more insights, visit linkedin.com/showcase/bayer-consumer-health-/

BAYER

REGULATION

#BeClear: the new rules of influencer marketing

Both the UK Competition and Markets Authority and the Advertising Standards Authority are tackling sharp practice. Agencies, influencers and the brands they represent are all in their sights

Emma Woollacott

The recent furore surrounding the endorsement of Bud Light by transgender comedian Dylan Mulvaney has highlighted the prominent part that social media influencers play in many firms' marketing strategies.

The Influencer Marketing Hub has forecast that the global influencer marketing sector will turn over $21.1bn (£17bn) this year, representing a year-on-year growth of 22%. Nearly a quarter of the marketing chiefs responding to its survey said that they would be devoting more than 40% of their annual budgets to influencer marketing.

But, as uptake has increased, so has the number of controversies and complaints. Many of these have concerned the lack of clear labelling on the commercial content that many influencers upload.

In 2021, the Advertising Standards Authority (ASA) published an analysis of more than 24,000 Instagram Stories. Of the 5,700 it considered to be marketing material, nearly two-thirds weren't obviously identifiable as such. The watchdog described this situation as "unacceptable".

Kate Hawkins is a principal associate at law firm Gowling WLG, where she specialises in advertising law. She says "compliance with labelling requirements remains low. In many of the published ASA cases, non-compliance was obvious because the content didn't use the #Ad hashtag. But what the ASA has been seeing is only the tip of the iceberg. There will be many more ads that haven't been brought to its attention, including those where the non-compliance is less obvious and potentially more misleading to consumers."

As a result of such cases, the UK Competition and Markets Authority (CMA) published guidelines late last year setting out criteria relating to ads and other paid promotions by social media influencers.

The CMA expects social platforms such as TikTok, YouTube, Twitter, Snapchat, Pinterest and Twitch to give users tools to label commercial content and report suspected hidden advertising. They must provide better guidance to content creators about what must be labelled as a paid-for endorsement.

It also expects these platforms to use the advanced tech at their disposal to identify suspected hidden advertising and take remedial action when such cases are unearthed.

Influencers, meanwhile, are to make it clear whenever they are receiving a payment for posting content and when they're doing so on behalf of a brand that they own or are employed by.

By "payment", the CMA is referring to any form of reward, including free or discounted goods and services or even loans. It means anything offered on terms more favourable than those available to ordinary consumers.

Where this is the case, social posts should use the hashtags #Ad or #Advert, rather than less clear ones such as #gift, #gifted or #spon.

Crucially, the CMA holds brands responsible for ensuring that such content is labelled as advertising when it results from their marketing and is being published on their behalf. They must check the posted content themselves for compliance.

The CMA says that it has "worked hard to ensure that both brands and influencers clearly understand what is required of them under consumer legislation. Just last year, we issued three detailed guides – one for brands, one for influencers and one for social media platforms – to help them stay on the right side of the law. We know that most people and businesses want to do the right thing by their followers and customers. These guides help them to do just that."

> **The only real bite available to the ASA is to name and shame brands and influencers who fall foul of the code rules**

The main set of rules covering influencer marketing is the CMA's committee for advertising practice (CAP) code. Complaints are adjudicated by the ASA. If it makes a ruling that influencers or brands ignore, they may be found to have broken the law and face enforcement action by standards authorities, which may lead to criminal prosecution.

The CAP code contains special guidance concerning the use of influencers in specific sectors, with new rules on gambling ads introduced last year. Gambling and lottery adverts must not "be likely to be of strong appeal to children or young persons, especially by reflecting or being associated with youth culture". Here, the rules specifically mention the use of influencers.

Gambling firms cannot use: top-flight footballers or those with a significant following among under-18s on social media; sportspeople popular with under-18s; or participants in reality TV shows popular with under-18s, such as *Love Island*.

The Financial Conduct Authority (FCA) regulates advertising in financial services. It reports that it's seen an increase in the use of social media influencers to promote investment products to younger users. The watchdog says that one influencer promoted unauthorised traders to their followers at least twice, using their personal profile and without mentioning that they were the sole director of a regulated firm with permission for secondary credit broking. The FCA negotiated with that influencer to stop these promotions.

But it's not only UK regulations that brands must worry about.

Take it from Thomas Walters,

co-founder and European CEO of global influencer agency Billion Dollar Boy. His firm recently supported cosmetics brand Garnier by "launching an augmented-reality filter in the Nordics".

This campaign, he recalls, was "uniquely challenging because some markets in that region have strict laws on filters that affect the user's face. So that the filter was compliant in all target markets, we adapted our approach and explored filters that provided an immersive experience to communicate the efficacy of the product without falling foul of the various regulations."

The new rules and guidelines have been broadly welcomed by agencies and their clients. A recent influencer campaign for Amazon, for instance, involved videos of several activities – ordering the product live, opening the box and sharing anecdotes – all of which had the potential to break the new rules.

"Working in the gaming space, and especially with a brand as familiar as Amazon, we find that our audiences are mostly young, trusting and impressionable," says Marvin Winkelmann, managing director of talent management agency AFK. "In cases such as these, we find having clear regulations and guidance such as the CAP code to be a great measure for protecting against misleading consumers."

Despite the progress the CMA has achieved, there are some people who would like to see even more specific guidelines. Among them is Sanchit Sareen, EMEA director of influencers and creators at impact.com, a partnership management platform.

Sareen recommends more efforts to raise awareness of and address "scenarios that might not relate to a straightforward ad campaign with the ultimate goal of commercial growth". What he has in mind are "topic-based influencing, where multiple brands are mentioned in one campaign; and de-influencing, whereby creators review products in a negative light."

> **What the ASA has been seeing must only be the tip of the iceberg**

Others are concerned that the guidance on the use of certain terms such as 'ad', 'sponsored', 'PR' and 'gifted' still isn't as clear as it could be.

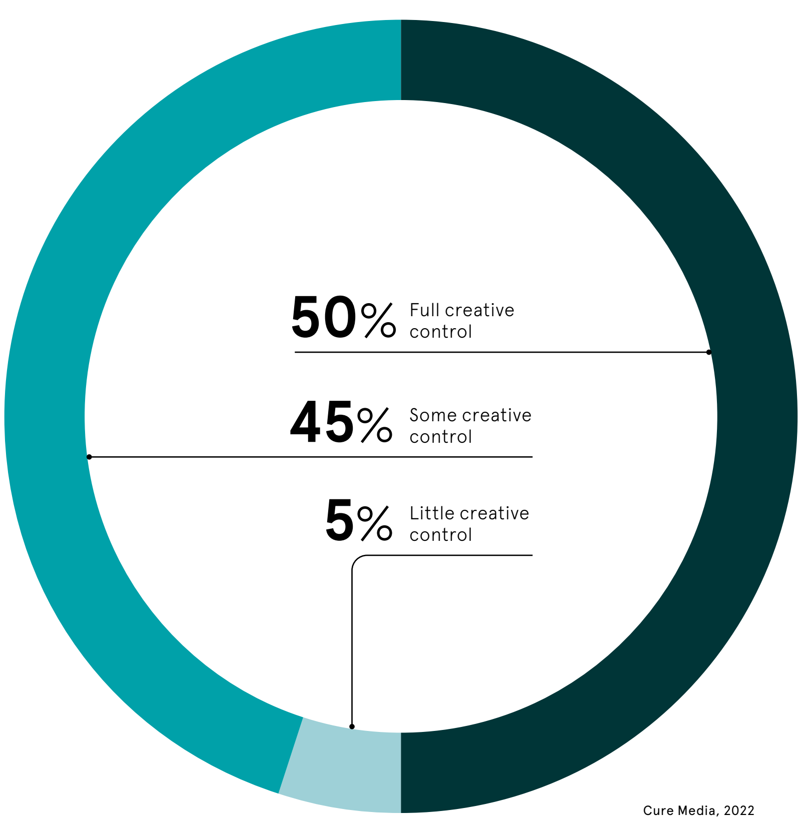
"The inconsistency surrounding 'gifted' partnerships is calling out for clarity. Many content creators and social media users find this confusing," says Georgina Greenspan, managing director of agency Eat the Fox. "While both traditional media and influencers are required to label paid partnerships and adverts, only influencers are required to label gifted partnerships."

Control over the use of influencers is set to get tighter. The UK government has confirmed that the CMA will be given the power to decide independently whether consumer protection law has been breached and issue fines. For now, however, there is little that can be done to curb non-compliance.

"The only real bite available to the ASA is to name and shame brands and influencers who fall foul of the code rules. It's done this by publishing its rulings and detailing the non-compliance on its website," says Hawkins, but she adds that the authority "has made it clear that offenders will be held under monitoring. Further non-compliance may result in more sanctions."

BRANDS OR INFLUENCERS – WHO CONTROLS THE ADVERTISING?

Level of control exercised by brands in B2C influencer marketing in the UK



Cure Media, 2022

Commercial feature

Q&A

How positive dissatisfaction can be a brand's ally

Kristen Cavallo, global CEO of MullenLowe, explains why brands must adopt a challenger mindset and embrace change to keep the attention of modern consumers

Standing out from the crowd and capturing the hearts and minds of new customers is an increasingly difficult challenge for brands in a segmented world awash with competitors.

Customers are more informed and vocal about a plethora of cultural, political and environmental beliefs, and engage with brands across a broad spectrum of platforms – and not always to endorse their products. The result is a crowded and often volatile marketplace, with brands fighting to be heard and cut through the noise generated by likes, retweets and reels during a time of diminishing attention spans.

It's a challenge Kristen Cavallo relishes. As the global CEO of MullenLowe, she helps brands adopt a pacesetter mindset. She says the key to success in 2023 is for brands to recognise the opportunity and responsibility to innovate because brands that do grow faster.

Q What is a brand enemy?

A An enemy isn't a competitor; it's normally a point of view and what you stand against as a brand. When Reed Hastings [Netflix co-founder] was asked about competitors, he said his enemy wasn't a rival brand, it was sleep.

We've taken that kind of thinking into the way we position brands. Maybe their worst enemy is stagnation or comfort, so we push against that. And we do so armed with research by Accenture which found that brands with strong innovation cultures hugely outperformed those lacking them between 2018 and 2020. On average, these innovation pacesetters grew their revenues 6.5 times faster than stagnant brands over that period. Plus they were 4.2 times more cost-efficient and 2.2 times more profitable.

Q Why is this approach important right now?

A Certain brands, such as challenger brands, can and should take a stand on something. They don't want to win in a game of inches.

I educate my clients on the value of not settling into their comfort zone and the ROI of being in a constant state of push. It's not enough to be keeping the pace, they need to be setting the pace.

Q If brand enemies are so important, is purpose overrated?

A Purpose isn't overrated, it just isn't enough to make a brand interesting. The purpose may be a company's sustainability goals. That works for Patagonia, but it may not be enough to make another clothing brand interesting to consumers because the number of competitors in their category has proliferated. This means they need to define their enemy. Take Snickers. For years, it stood for satisfaction. When the business plateaued, it redefined its enemy as hunger and the business was rejuvenated. When a brand has both a purpose and an enemy, it can decide which one takes priority, or switch back and forth.

Q Are some brands fearful of taking risks?

A On social media, people feel like they have the right and the obligation to comment on everything you're doing and sometimes it seems like they only want you to stand for their values. But I'm not convinced – and the data doesn't seem to show it either – that these voices are the majority. We have to give clients the courage to take risks, because a few critical voices on social media don't represent an entire audience. In fact, being debated is often a good thing, talk translates into sales. I like clients that have the stomach to be debated.

> **When a brand has both a purpose and an enemy, it can decide which one takes priority, or switch back and forth**

Q How do you recognise a great chief marketing officer?

A I look beyond their words to their past work. Have they ever made anything that I think is interesting and good? Did they protect it from the gauntlet of their own company or process to ensure that the idea was still interesting when it was produced and arrived in the world? They also need to understand how brands grow. Businesses need to select CMOs that have an interest in creativity and consumer behaviour or psychology. The good ones do, and they also have an ability to articulate a point of view and sell it consistently to their own company, their agency or the press. A good CMO is a storyteller, armed with creativity, data and a point of view.

For more information, please visit mullenloweglobal.com

MULLENLOWE GLOBAL

MARKETING METHODS

Three ways to make your budget go further

Although research suggests it's an unwise move, marketing investments are often slashed in tough times. For teams with less to spend, here are some relatively low-cost – but high-impact – options

Katie Byrne

In December 2022, a survey of chief marketing officers by the Chartered Institute of Marketing (CIM) revealed that 18% were facing a year-on-year reduction to their annual budgets. While that may seem bleak, it is still a significant improvement on the equivalent figure published by the CIM the year before: 47%.

"Marketing chiefs are actually more optimistic about the global economy than they were a year ago, according to our research," reports the institute's chief executive, Chris Daly. "Tighter budgets are encouraging many to focus on below-the-line channels, which require a comprehensive understanding of customer needs – and that lies at the heart of professional marketing."

If you've found yourself among the 18% or are simply keen to investigate ideas that might help you spread your message more efficiently, here's a trio of methods that could work well over the coming months.

Nail your niche

Defining your target audience can allow for more efficient expenditure, enabling you to maximise output across a range of channels. Focusing your marketing efforts on a particular demographic may sound obvious, but it can be a daunting prospect for firms that have not yet embraced niche marketing.

"Businesses can be scared to 'niche down', because they believe that this would limit their pool of prospective customers," says Allan Dib, founder of the Successwise consultancy and author of The 1-Page Marketing Plan. "But if you try to target everyone, you're effectively targeting no one. Rather than attempting to be all things to all people, targeting a specific niche enables you to craft a message that resonates deeply with the recipients."

Adopting a highly focused marketing approach can help your brand stand out in a sea of "generic marketing", he suggests. "You need to know where your customers hang out, what drives their purchasing decisions and how to build their trust. What are their hopes, fears and desires? What do they dream about?"

If businesses invest enough time and money in understanding their core audience, the returns will be handsome, argues Dib, who adds: "Rather than trying to find people for your stuff, your job is to tell stuff to your people."

> **If you try to target everyone, you're effectively targeting no one**

vince-fleming via unsplash

Roberto Machado Noa via GettyImages

Go for guerrilla

Guerrilla marketing – surprise campaigns using unconventional and innovative methods out in the real world – offers a high-impact way to capture the interest of potential customers.

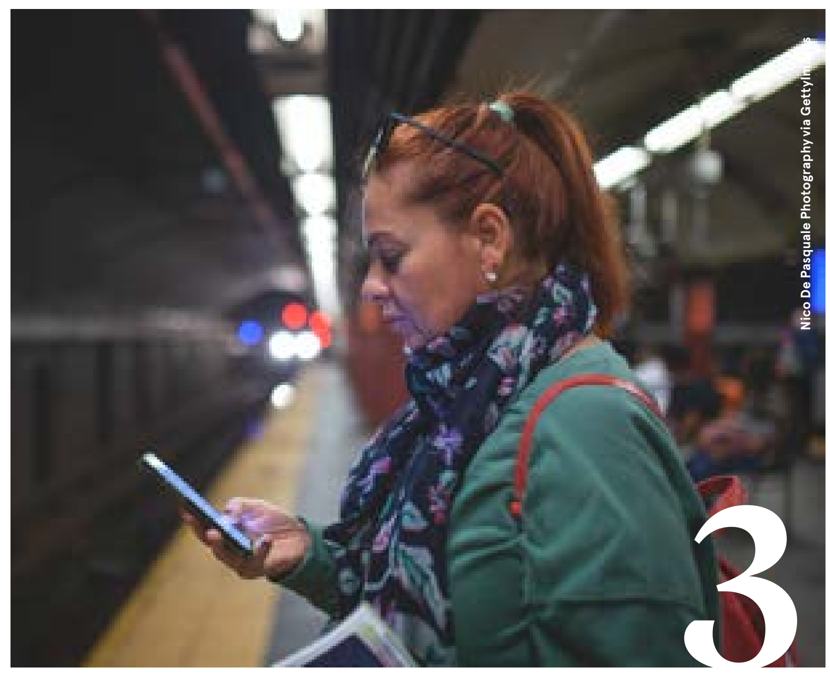
Marvin Foster is MD of Love Creative Marketing, which has recently overseen campaigns for SpaceNK and The Gym Group. He says that "audiences are always looking for exciting new approaches. A good experience goes a long way and is remembered for a lifetime."

Whether you're aiming to reach a certain number of app downloads or planning to measure uptake of a discount code, it's important to set realistic goals for a guerrilla campaign, Foster stresses.

"This tactic can prove effective, as it enables you to interact with target audiences and create more buzz," he adds. "Face-to-face guerrilla marketing and brand experiences will generate more conversion, social media awareness and word of mouth. These will in turn lead to more qualified leads and sales. You just need to make the follow-up connections."

If you think that this approach could help you to achieve your desired outcomes, there's value in consulting specialists, with details such as locations requiring careful planning.

"You might pay tens of thousands for advertising space in a shopping centre, whereas going out on the streets for a guerrilla campaign could cost a third of that amount," Foster says. "But you'll still need to know the limits of what you can do and where you can do it."



Nico De Pasquale Photography via GettyImages

Embrace email

It could be time to make your email database work harder.

"Email is a relatively inexpensive channel for promoting products and services, which makes it valuable for marketers with limited budgets," says Matt Moorut, director and analyst at Gartner.

But he stresses that a 'spray and pray' approach won't work when it comes to email marketing. Personalisation and segmentation are key.

"In an ideal world, you'd send a personalised message to every contact you have, but no brand has that sort of time," Moorut says. "The knack is finding the sweet spot, where you're tailoring messages at a level that truly improves business performance. A strong segmentation strategy is vital here, as it helps marketers to prioritise where and how they personalise. The good news for those with smaller budgets is that this work, if done well, can save you time and money in the long run. In essence, segmentation can be a way for marketers to punch above their weight."

It's also crucial to take the time to understand what your audience wants, says Molly Ploe, director of search-engine optimisation and demand generation at Brafton, a content marketing agency.

"Because email is such an intimate channel, it's incredibly easy to turn people off," she warns. "Too many emails, or the wrong tone of voice, can lead recipients to unsubscribe. The only way to overcome this is by planning your campaigns strategically and paying close attention to the response."

Ploe adds that the task of standing out in a crowded inbox is a multifaceted challenge that starts with a great subject line. A/B testing will help you to understand the kinds of initial messages that are most likely to persuade people to open your emails. It ends with a user experience that considers factors such as the reading device being used and whether the email's content lives up to the promise of the subject line.

Frustratingly – or perhaps reassuringly – instant wins are rare in email marketing. The method can require much initial experimentation and refinement to get it right. As Ploe says: "This is all about how the medium is wielded to capture the attention of your audience. Trial and error will be a huge part of figuring out what's going to work for your brand."

INSIGHT

‘Creative effectiveness is the bedrock of the business of creativity’

Senior marketers convene at the Cannes Lions International Festival of Creativity every year to gain insight into how to build a business through creativity. Here, **Kathleen Hall**, chief brand officer at Microsoft, and LIONS CEO **Simon Cook** discuss how brands can harness creativity that drives effectiveness and business growth

Q Why is creative effectiveness so important for marketers?

KH If the goal of marketing is to support sales and brand, then creative effectiveness is really the proof in the pudding. It makes us consider what we are driving for, the outcomes we want to see, the mindset shift we want to achieve and how to measure the impact.

SC Creative effectiveness is the bedrock of the business of creativity. It’s about proving the long-term growth value of creative campaigns and brand building. We know that, as the economy contracts, marketers are under increasing pressure to show their impact on the bottom line; that’s where creative effectiveness really comes into play.

In our recent *State of Creativity* study, which polled several thousand marketers and creative advertising professionals globally, 24% felt there was more focus on proving the effectiveness of creativity within their organisations.

Q How can a brand create the right conditions internally for creativity to flourish?

KH At Microsoft, we're measurement-oriented because we believe the more you can prove impact, the more likely people are to come along for the ride. We measure across the cycle of a campaign, from the inception of an idea, to the execution and then marketplace reception.

SC The brands in attendance at Cannes Lions each year, from McDonald’s and Heineken, to AB InBev and Apple, have invested in creative effectiveness over the long term. These companies clearly demonstrate the correlation between winning awards for their creativity and driving business results.

Their models may look different, but when you dig into their approach there are plenty of mirroring components that enable creativity to thrive within their companies. These include a commitment to investing in creativity as a means of delivering broader corporate objectives and the ability to translate that commitment into a common language that is understood across the business. In addition to this, these businesses adopt tools and processes within their teams that mean effective creativity is inevitable.

Q How can marketers prove the long-term value of creative investment?

KH This is something I have fought for throughout my career. To demonstrate the long-term value of creative investment, look at case studies of brands, such as Apple and Nike, and the value they have created through investment in brand building over time. They can charge a premium for their products and people are far more likely to try the product because they have an affinity with the brand.

SC This is where creative effectiveness really comes into play and it's why we’re centring the entire Cannes Lions festival around the theme this year.

> **Marketers need to educate the C-suite on why creative effectiveness matters in terms of business outcomes. This is the crux of the challenge most marketers face today**

Our sister company Warc carried out extensive research around creative commitment. It found that it takes three years of investment to see a return on a campaign. Case studies prove it and Microsoft’s success is a case in point. Creative effectiveness awards, like the Creative Effectiveness Lions, enable brands to benchmark and measure the effectiveness of a piece of creative work over an extended period of time.

Q What tools do senior marketers need to drive growth through creativity?

KH Marketers must have a package of meaningful measurement tools. There's always a lot of emphasis on short-term ROI and revenue impact, but we also have to look to the future. That means we also need a suite of measurement tools that are longer term and can track emotion, connectedness and how we're building the brand over time.

SC From the senior brand marketers we spoke to in the *State of Creativity* study, we identified the core areas for marketers to drive growth. These include building an in-depth understanding of creativity and how it achieves business impact, and benchmarking creative effectiveness against peers to raise the bar. Developing a company culture that’s focused on investing and nurturing talent is also key, alongside adopting and adapting proven processes, from frameworks to measurement tools, to deliver effective creative work.

Q How can marketers ensure that creative effectiveness is better understood by the rest of the C-suite?

KH Marketers need to educate the C-suite on the multiple ways to measure creative effectiveness and why it matters in terms of business outcomes. This is the crux of the challenge most marketers face today: ensuring the C-suite understands metrics like lifetime value or the value of brand love, as well as financial impact.

SC We carried out a piece of research with effectiveness expert James Hurman and marketing consultant Peter Field to better understand why, when it came to effectiveness, brands and agencies aren’t on the same page. The research showed that what was clearly missing was a common language to talk about creative effectiveness – one that could be understood by the entire marketing chain from internal brand marketers to the agencies they work with and the C-suite.

That’s why we established ‘the effectiveness code’, which shows the impact that creative marketing has. This code is a great starting point for senior marketers who want to communicate where they are and how they need to progress to the rest of their C-suite team.

Q Why are events such as Cannes Lions, which focus on creativity and effectiveness, important for the industry?

KH Cannes Lions is vital because it sets the bar for great creativity by showcasing the creative work being produced across the industry. It offers an opportunity to get out of our worlds and experience different categories, frameworks and thinking.

Marketing is a relationship business, so the festival allows us to reconnect and inspire each other in person through conversations and connections. After Cannes I'm recharged – it's a creative boost.

SC Cannes Lions is where the industry meets to discuss the creativity that drives effectiveness and growth. This year, we’ve added a ‘creative impact’ content stream designed to help senior marketers build creative capabilities and take them back to their own organisations. The event will focus on actionable insights and real-life examples from brands that have built businesses that nurture creativity and have experienced success as a result.

Q Is there a key moment at Cannes Lions that changed your thinking?

KH It’s the work winning Lions awards every year that really inspires me. A key moment was when I saw the multi-Lion winning ‘The Next Rembrandt’, by JWT Amsterdam, which leveraged technology to create what would have been the next work of art from the Dutch painter. What jolted me was that it was about much more than just being creative in the traditional sense. In this new era, creativity has a significant experiential component. Creativity today is about effecting social change, shifting stereotypes and having a significant impact on issues in the world. It opened my eyes.

SC For me, there are so many key moments it’s difficult to list just one, but I’m going to share something that someone cleverer than me once said. Les Binet, head of effectiveness at adam&eveDDB, who is speaking at the festival this year, said: “If you want long-term growth, you've got to change people's minds in some way and build up memory structures that will bias their behaviour. Brand building is about getting a long-term flow of sales, revenue and profit, now and into the future.” That has stuck with me. ●

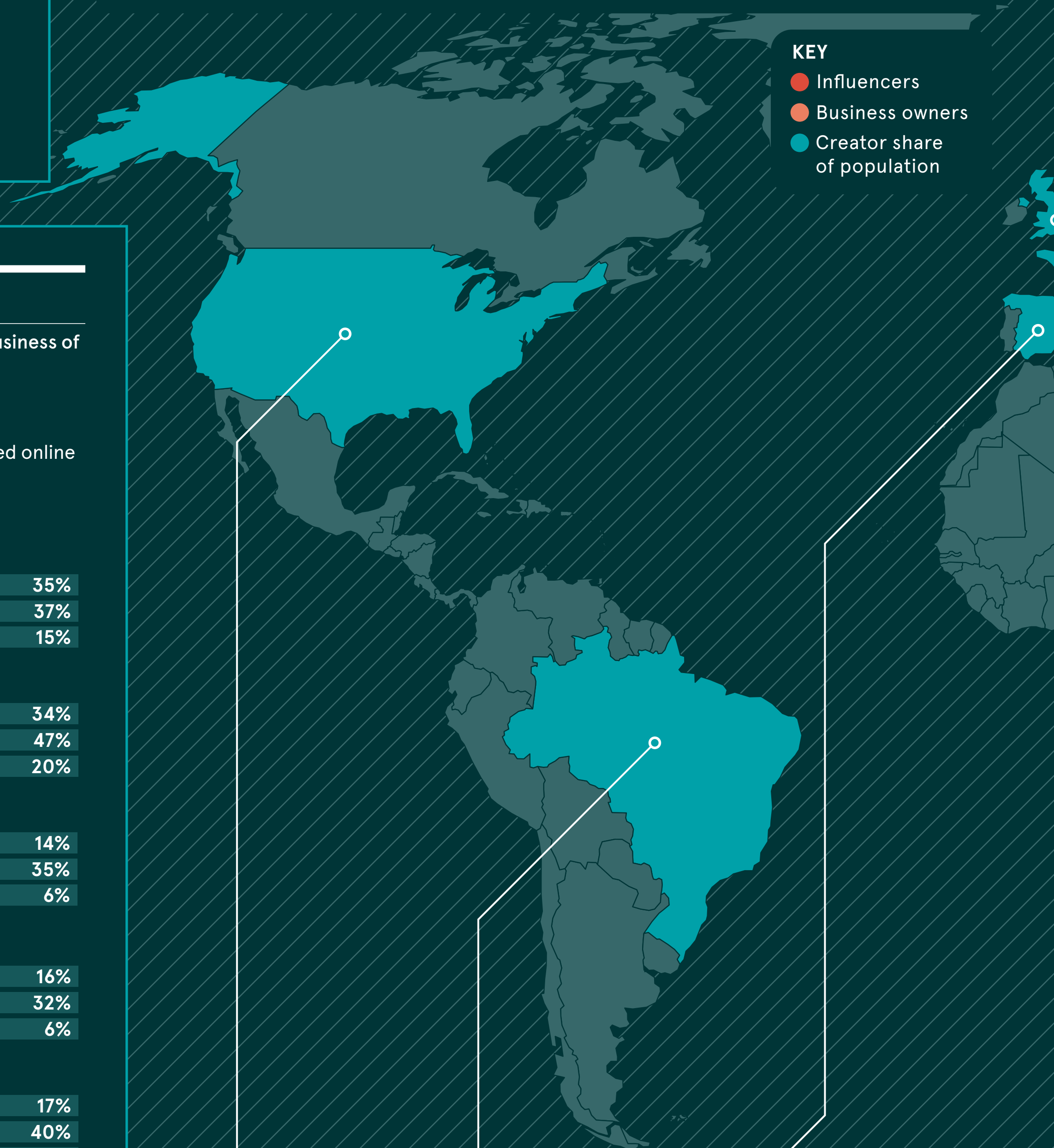
Find out more about attending Cannes Lions 2023 at canneslions.com

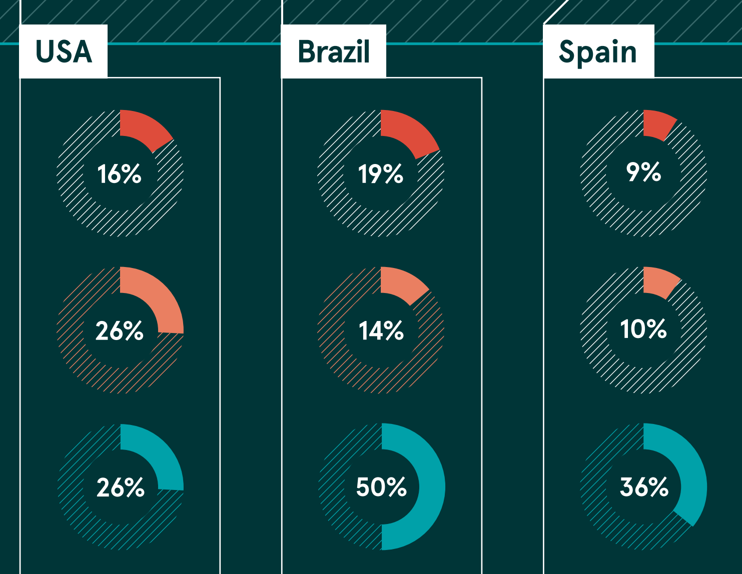
THE BUSINESS OF CONTE

Marketing through shared online content has become a big business. The market for influencer advertising is projected to exceed $21bn in 2023, and a third of companies in some of the most active markets spend more than $5,000 per month on content marketing. But who are these content marketers? What are their aspirations? And how can they help brands grow and reach new consumers?

CONTENT CREATORS ACROSS THE GLOBE

Creators in selected popular creator markets worldwide and current state of content creators

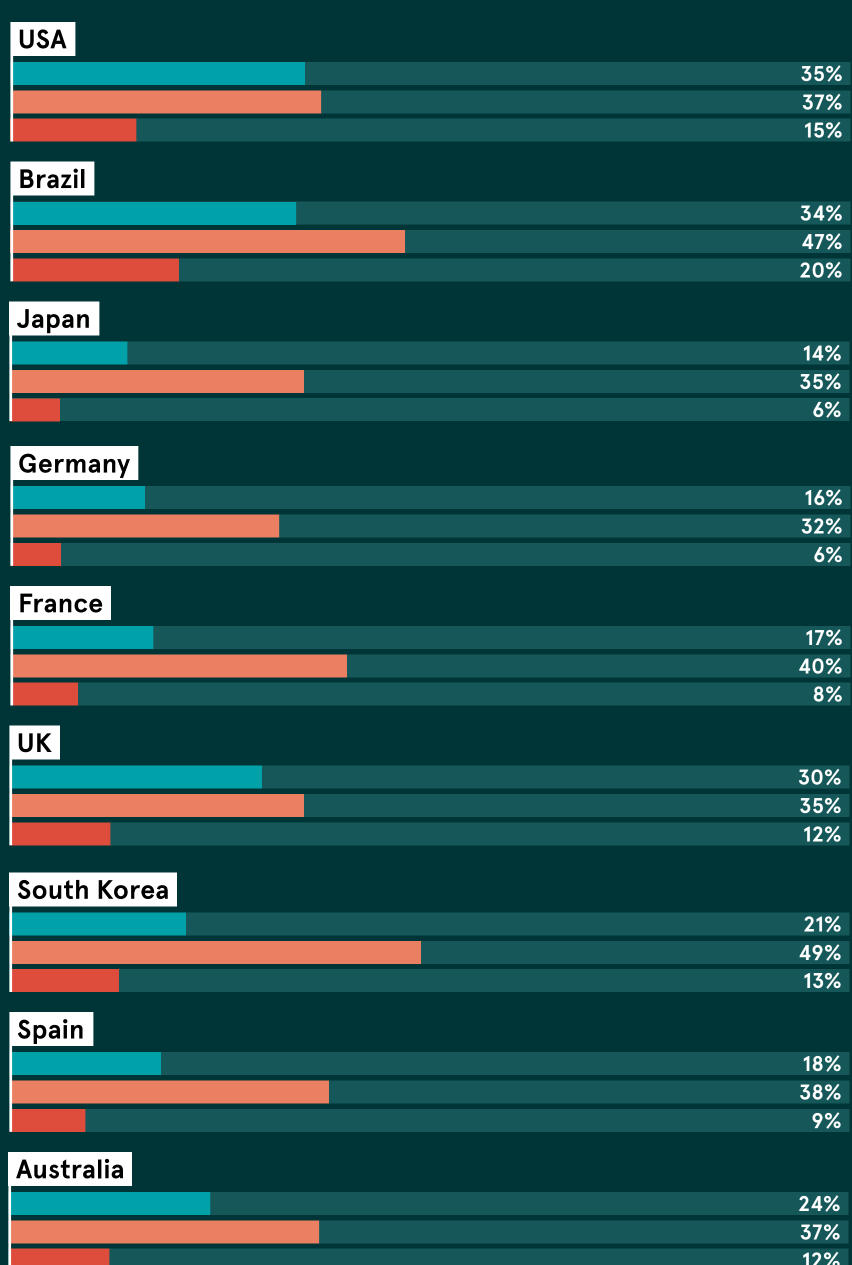




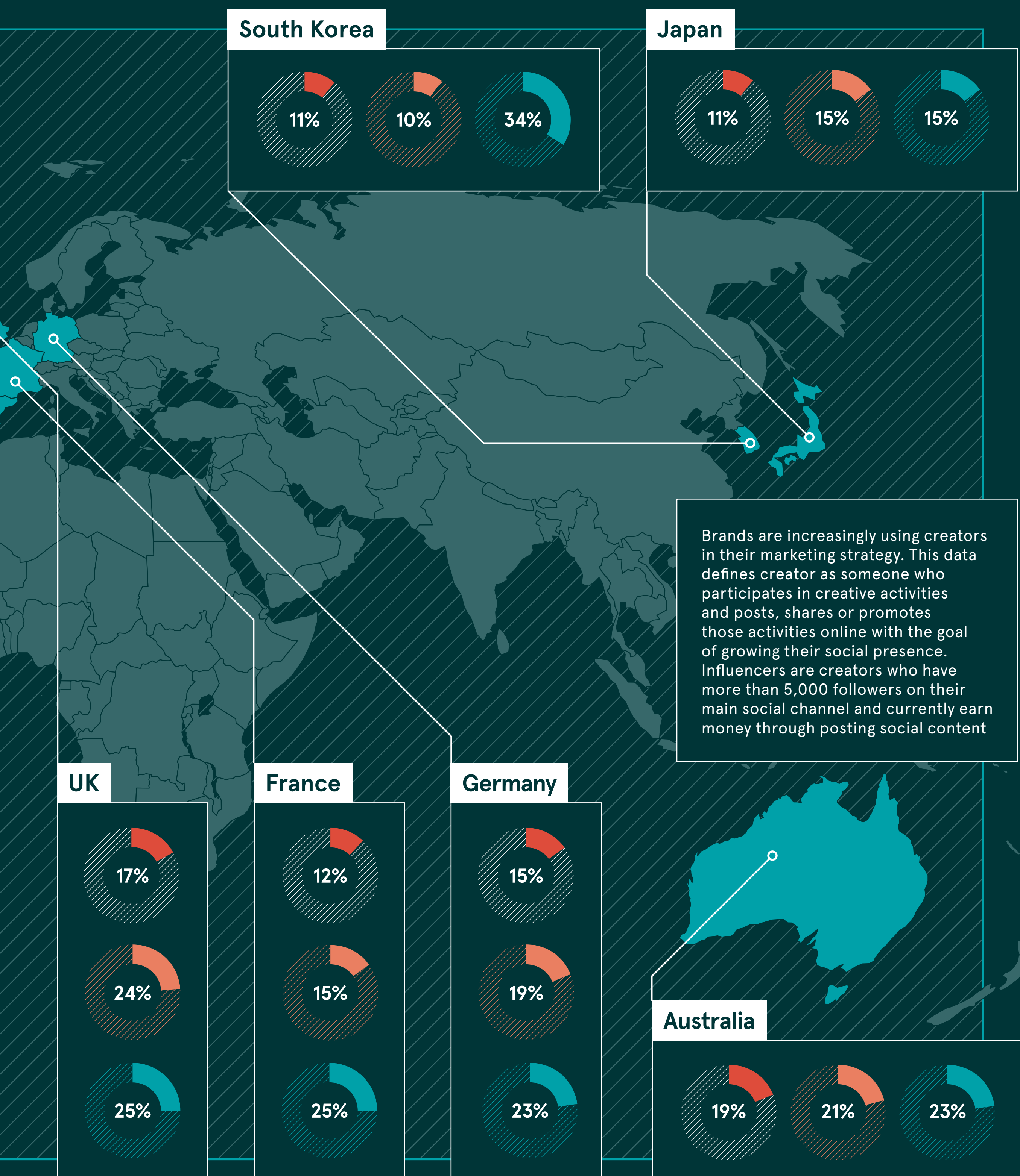
ASPIRATIONS OF CONTENT CREATORS

Percentage of content creators looking to become and influencer or make a business of shared content

- Current goal of becoming an influencer
- Current goal of owning a business to make money from creative content shared online
- Current goal to become both a business owner and an influencer



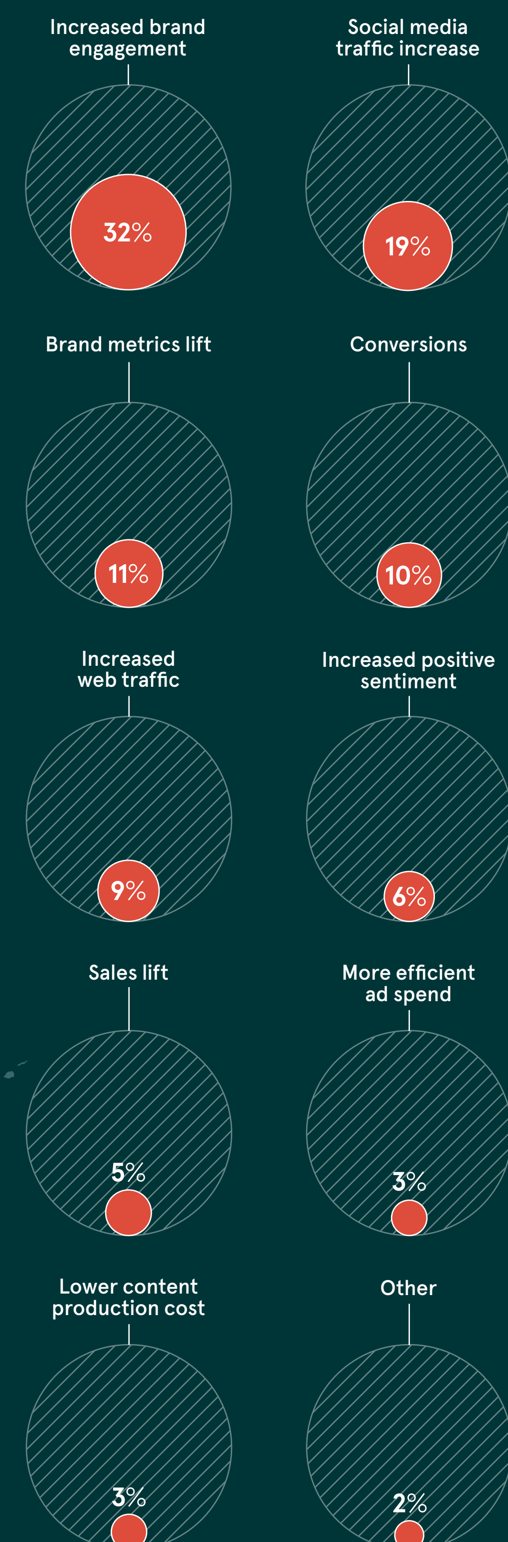
NT CREATION



Brands are increasingly using creators in their marketing strategy. This data defines creator as someone who participates in creative activities and posts, shares or promotes those activities online with the goal of growing their social presence. Influencers are creators who have more than 5,000 followers on their main social channel and currently earn money through posting social content

WHAT CAN CONTENT CREATORS DO FOR BRANDS?

Leading metrics successfully delivered by influencers according to marketers worldwide



WHO ARE THE CONTENT CREATORS?

Gender and generational makeup of content creators in selected countries

	Male	Female
US	47%	53%
Brazil	47%	53%
Japan	56%	43%
Germany	58%	42%
France	51%	49%
UK	57%	43%
South Korea	55%	45%
Spain	51%	48%
Australia	49%	51%

	Gen Z	Millennial	Gen X	Boomers
US	15%	45%	26%	15%
Brazil	19%	43%	28%	10%
Japan	12%	39%	31%	18%
Germany	12%	44%	29%	15%
France	16%	38%	34%	12%
UK	14%	45%	27%	14%
South Korea	11%	39%	37%	13%
Spain	13%	42%	30%	15%
Australia	11%	48%	27%	14%

INTERVIEW

'TikTok is particularly important to us'

M&S Food's marketing director, **Sharry Cramond**, explains how she's leaving no stone unturned in attracting gen Z to a brand that's traditionally appealed to older consumers

Jonathan Weinberg

Over her five and a half years as marketing director of M&S Food, Sharry Cramond has earned a sector-wide reputation for increasing the brand's recognition among younger people. On Cramond's watch, each store has established a unique presence on social media platforms, from TikTok to Instagram to Facebook, representing a combined weekly reach of about 4 million people.

TikTok has proved particularly important in engaging gen-Z shoppers. The M&S store in Romford, east London, used the platform to promote its own charity Christmas single, which reached number two in the iTunes charts. Meanwhile, the M&S Foodhall at The Springs retail park in Leeds has a TikTok page that has attracted more than 700,000 views, thanks largely to videos featuring a member of staff called Michelle, who recommends her "monthly must-haves" from the store's shelves.

It's little wonder that TikTok's marketing team has praised the brand's efforts as some of the best uses of social media by a retailer.

"What you have to do is speak to gen Z on the channels where they're spending most of their time," says Cramond, who became director of marketing and hospitality in April 2022, taking responsibility for 300-plus cafés. "That's why TikTok is particularly important to us. When we started on the platform, a lot of people were asking: 'Who's running this? Is this M&S's account?' It felt quite 'un-M&S' to be leading the way on TikTok, but now people are absolutely embracing it."

Cramond believes that a key reason for the brand's TikTok popularity is that the accounts are managed in house. She trusts store colleagues to post content without seeking approval from head office, although they do receive a template of subjects to focus on each week.

Her own department is also able to capitalise on social media trends quickly. This has been a big factor in the success of its Percy Pig and Colin the Caterpillar confectionery brands. Content featuring the #percypig hashtag has delivered more than 96 million views on TikTok, for instance.

"The team in the office keep a close eye on what's emerging. They can get straight into costume and have a post uploaded within an hour," she says.

Transparency has become a much more prominent part of the marketing mix too. Food provenance is now an important consideration, given young shoppers' attention to environmental issues.

"More and more customers are becoming interested in where their food comes from," Cramond says, explaining that this concern led to a documentary-style TV campaign called "Farm to Foodhall", in which Michelin-starred chef Tom Kerridge visits suppliers and interviews them.

As the cost-of-living crisis wears on, she believes that demonstrating value and uniqueness has become far more important for brands when communicating with consumers.

> **For us, it has been about finding a way to talk about value in a way that's compelling, engaging and most importantly, unique to M&S Food**

"In the UK, 89% of all marketing is ignored," she says, noting that proving the value of your offering in a market as crowded as food retail is becoming harder for all players. To address this problem, her team created the Remarksable Value label, under which the firm sells a range of lower-priced items.

"This has been about finding a way to talk about value in a way that's compelling, engaging and, most crucially, unique to M&S Food," she says. "It is about fantastic prices, of course, but we make a point of talking about what's unique about those products."

Cramond's willingness to innovate and challenge conventional marketing wisdom has won recognition from the M&S board and industry peers alike. She talks of how the marketing chief's role has changed since the turn of the millennium, from "creating brilliant ad campaigns" to being "the voice of the customer in the whole organisation".

A key part of doing the latter is "getting the organisation closer to customers". To this end, M&S Food had been holding regular sessions where the leadership team chats with about 20 shoppers. It recently augmented that by forming a panel known as The Collective, with the aim of attracting 10,000 M&S Food "super-fans". But only hours after an email highlighting the opportunity was sent, the number of sign-ups reached 43,000 and the retailer had to stop accepting them.

"We can put a question to The Collective and have the answer within a couple of hours," Cramond says. "That shows us how customers truly want to influence the decisions the organisation is going to make."

She thinks that marketers would be well advised to stay focused on differentiation to separate their brands from the pack, but adds that, just because there might be a gap in the market, there won't necessarily be a market in that gap. Cramond suggests that a possible way forward is for teams to finish the following sentence: "X is the only company that…"

Her team could feasibly complete that statement with "… embraces the power of social media influencers as an authentic extension of the brand." It works with pop musician Matt Willis, TV presenter Rochelle Humes, YouTube influencer Zoe Sugg and boxer Tommy Fury, its most recent recruit.

"These are people with a real passion for M&S. They genuinely shop with us," says Cramond, who explains that each of them is asked to pick a favourite product to get behind. "I think about half of their followers didn't follow M&S on our social channels, so this has introduced us to new audiences."

Influence is not only the preserve of celebrities, though. M&S Food's colleagues act as "micro-influencers" – pivotal work that began in 2020 during the first Covid lockdown, when every store was asked to create a Facebook page on which it could update customers on the availability of key products.

Each store now has its own social media champion, who is often a junior member of staff. Cramond notes that this has helped to attract younger customers.

"People believe those who look and sound similar to them," she says. "Our colleagues live in the same communities as our customers and know many of them by name. When our social media champions talk about the latest new product or deal on TikTok or Facebook, that message is translated in a much more compelling way."

Cramond points to M&S Food's highly engaged customer base. The brand's recent marketing emails have been inducing an 81% open rate, for instance. She attributes this to the authenticity of the messages being sent. For instance, she stresses to her team that they "cannot write cheques that the stores can't cash", suggesting that customers can see straight through any marketing hyperbole.

Data – lots of it – has become fundamental to the M&S marketing team's decision-making. For example, Cramond has established an econometric modelling system in partnership with the firm's finance and insights teams, which shows the return on marketing investment.

> **"I pick my favourite M&S product every day on Instagram. It's amazing how many people say: "I bought that because I saw it on your page"**

The system enables M&S to determine which factors are influencing the sales of any given product, including its "in-store location, the number of stocking points and the temperature that day", she explains. "It's very robust."

Cramond also points to a database of 16 million customers that can, within an hour, send someone an email containing information about the provenance of a recent purchase. If that's a chicken, for instance, the message may even include a simple recipe created by Kerridge.

The business is clearly keen to use all the tech at its disposal to deliver a personal touch at every opportunity. When a member of staff in the support centre sends an email in response to a customer query, the signature on that message will even include a product recommendation of theirs.

"The marketing team has to bring a real passion for products in the organisation," Cramond says. "I pick my favourite M&S product every day on Instagram. It's amazing how many people say: 'I bought that product because I saw it on your page.'"

Having worked around the world in her previous roles, including as group marketing director at Tesco, Cramond would advise her fellow professionals to look far and wide for inspiration. Good ideas can come from anywhere – and it doesn't always require big money to convert these into effective campaigns.

"Creativity always cuts through," she says. "And the lower the budget, the more creative marketers will have to be."

M&S Food's move into ad-funded TV programming appears to have been a good idea. In 2021 it co-created the popular ITV1 series Cooking with the Stars, which is entering its third season this year. M&S retains half of the intellectual property. The competing celebrities use its ingredients to create their dishes and the programme is augmented by in-store marketing that points shoppers to the items featured in their recipes.

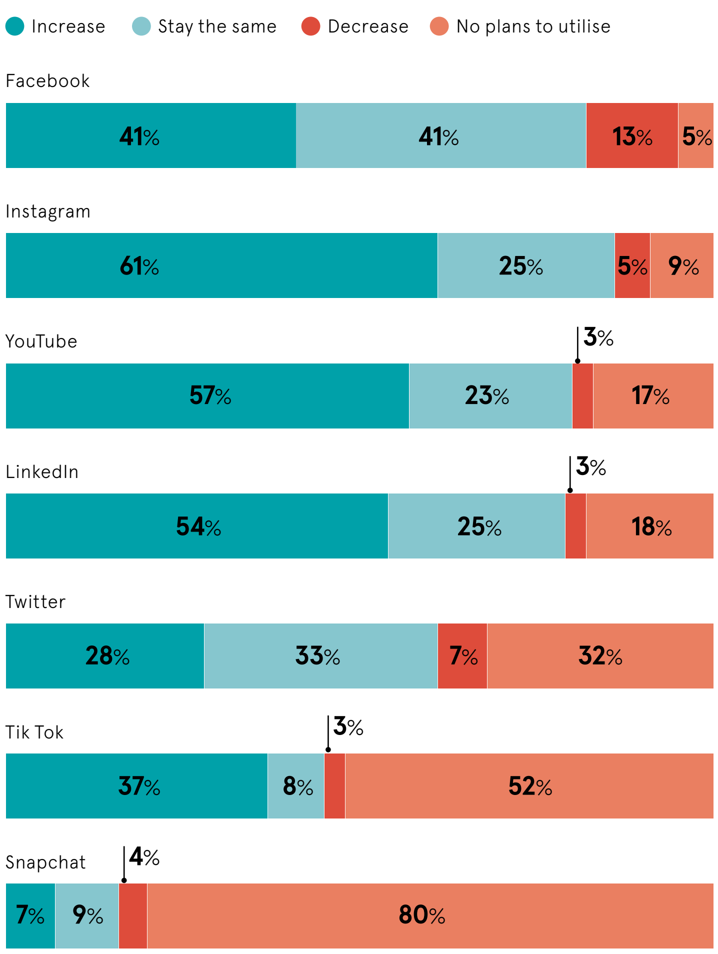
Also on ITV1, a documentary offering a peek behind the scenes at M&S last Christmas attracted 5.3 million viewers. A three-part version has been commissioned for this December.

Finding points of differentiation from the competition will always be a cornerstone of M&S Food's marketing strategy, says Cramond, who advises her fellow marketers to never stop searching for the unique features of their organisations.

If such things aren't to be found, she says, "it's the role of the modern marketing chief to create and shape unique customer propositions".

MARKETING ON SOCIAL MEDIA

Social media strategies among marketers worldwide, by social channel



Social Media Examiner, 2022

INSIGHT

'Learning from the experiences of others helps speed up decision-making"

Sophie Devonshire, chief executive, The Marketing Society and author of *Superfast: Lead at Speed*, explains why marketers must make time for creative collaboration to keep up with the pace of change

Marketing excellence has never been more urgently needed as companies see the value of long-term brand success, and the potential to drive customer-centric businesses. But how do great marketers manage the pace and the pressure? And how do ambitious change-makers deal with the need to move faster?

Anyone in a marketing leadership role over the past few years has experienced pressure to increase the pace of innovation. After emerging from the great acceleration in business, driven by tech disruption, we were then hit by pandemic panics, followed by economic and supply chain challenges.

Now, as we face the next tidal wave of seismic change – the rise of AI – the role for smart marketers in business is more important than ever.

Let's start with a simple observation: those of us in marketing, media and advertising don't need to feel alone in the innovation race.

Marketers have continued to increase their skills and professional understanding. They're getting better at demonstrating their ability to deliver business success.

For the first time, marketing professionals have access to clear evidence of the positive impact of brand building through difficult times. That was not the case in previous recessions, so if we do face tumultuous organisational economics, we now have data with which we can demonstrate value. The success stories have been shared and we have the proof that gives us power.

So, if you as a marketer feel overwhelmed, or if the non-marketers in your business think you're speaking a different language, you are not alone. You can turn to others in your profession to access research, insights and ideas to demonstrate the success of consistent brand investment and showcase what great marketing can do.

Great leaders have always recognised the power of connections between ideas and people. Anyone who likes to go faster loves a shortcut, and taking lessons from the experiences of others helps speed up decision-making and increases the chances of success.

Coders looking at tech platforms say the way to speed up progress and access is through 'networks'; that's also true in life and in business. But many are understandably uncomfortable with networking. Communities like The Marketing Society make it easier to build connections for those who want to make an impact. But there are many different opportunities for those who work in marketing, media and advertising to learn together. We must continue to collaborate, to share stories of the human power behind business success, to analyse the data and celebrate the creativity of our profession.

Even during the busiest times we need to create time and space for this networking and collaboration to happen. We will go faster together, but we must allow ourselves to slow down and build communities that will foster continuous learning, whether that's meeting up at international creativity festivals like Cannes Lions or simply making moments to celebrate progress. Awards ceremonies and their summaries allow us to admire the hard work of teams and build respect for the talent in our industry, and case studies help us improve as a profession.

Ambitious marketers have to keep their peripheral vision sharp, constantly looking up and around to gather insights about their customers and their industry. There are some incredible people in this profession who can help you go further and faster. By joining together we can all run at a more sustainable and enjoyable pace.

Sophie Devonshire
Chief executive
The Marketing Society

Tom Werner via GettyImages

SUSTAINABILITY

The wrong kind of greenness

There's been a general decline in the profession's understanding of sustainability issues in recent years. What's behind this trend – which presents significant business risks – and how can it be reversed?

Megan Tatum

Although marketing teams are often asked to produce material detailing their firms' sustainability initiatives, a growing proportion feel ill-equipped to do so because they think they don't have a strong enough grasp of environmental matters.

More than a third (35%) of marketers responding to a global survey by the World Federation of Advertisers (WFA) in April admitted that their knowledge of the subject was patchy. Only 20% had given that response when asked the same question two years ago. But despite this, 94% said they were aiming to be braver when communicating their organisations' efforts to become more eco-friendly.

This dangerous mix of boldness and ignorance poses clear risks to them and their companies. The knowledge gap urgently needs to be closed, then, but how best should marketers and their organisations go about this?

The first thing to consider is why the gap seems to have been widening. The WFA's latest findings could be interpreted as an increase in awareness that sustainability is a wide-ranging and highly intricate subject that many respondents now realise that they probably hadn't fully grasped two years ago. That's how Robert Dreblow, the federation's global head of marketing services, sees it.

"With the previous survey, it was a case of 'we don't know what we don't know', but now there's a better understanding of the complexities relating to sustainability," he suggests. "As marketers have come to realise that it can quickly become a complex area, they've learnt that the knowledge gap is bigger than they'd first thought."

Dreblow adds that it was only relatively recently that sustainability was bumped up the corporate agenda. That reprioritisation may have triggered a greater appreciation of the scale of the marketing challenge – and of how much more there is that the function ought to know.

This is a view is shared by Kirsty Hunter, chief marketing officer at Innocent Drinks. She observes that sustainability matters are "complex and continually evolving", which makes communicating about the topic difficult, even for the experts.

"It can be incredibly overwhelming," Hunter admits. "With climate specialists and other scientists still trying to understand all the issues and work out the changes we need to make, it's not surprising that marketers are feeling at a loss. The reality is that, as we learn more about all the sustainability challenges over the years, we naturally feel less sure about how to navigate them."

Adding to the challenge is the growing number of regulations for companies to comply with when reporting publicly on their environmental performance. Last year, for instance, plcs and large private firms in the UK were legally required to issue statements in line with the framework set by the Task Force on Climate-Related Financial Disclosures, an international body established by the G20 and the Financial Stability Board.

Lucy Klinkenberg-Matthews is head of environmental, social and corporate governance at marketing consultancy Paragon Customer Communications. She believes that "marketers are being bombarded with new developments, with sustainability issues and regulations developing at an increasing pace. They need to account for these hot topics when creating campaign messaging or contributing to any kind of sustainability report."

Klinkenberg-Matthews adds that, "until very recently, all the attention was on carbon reduction and net-zero targets. While these emission-cutting goals are still vital, tackling biodiversity loss has also become a key consideration."

Given the growing regulatory pressure, marketing teams that are ill-equipped to handle sustainability issues – especially those that don't realise they are – have the potential to harm the organisations they represent.

Even if the content they produce does tick all the compliance boxes, consumers are becoming ever more sceptical about corporate environmental claims. Any hint of hypocrisy is likely to be highlighted swiftly and publicly on social media.

"A lack of sustainability knowledge can jeopardise a brand's credibility and reputation," says Akin Garzanli, chief marketing officer at household appliances giant Arçelik. "If marketers don't have the necessary skills and information to support their sustainability claims, their brands may face accusations of greenwashing or insincerity."

A lack of knowledge and/or confidence may even make firms feel unable to put out any sustainability-focused marketing material. This phenomenon has become such a trend that a term has been coined to describe it: 'greenhushing'.

"This can also be harmful, as it may signal a lack of commitment or transparency," Garzanli says.

Dreblow points out that marketing's knowledge gap can also deter an organisation from seeking the function's potentially useful input into its work on sustainability. Marketing teams could be using their strong understanding of consumer behaviour to inform more eco-friendly new business models,

> **As we've learnt more about all the sustainability challenges, we naturally feel less sure about how to navigate them**

for instance. Or they could be applying their creative communication skills to encourage internal and external stakeholders to help the firm spot areas in which it could easily improve its environmental performance.

Lastly, "at a macro level, funding is being made available to businesses that demonstrate strong ESG credentials", notes Natalie Burns, strategy partner at branding agency UnitedUs. A lack of knowledge in these areas could, she warns, "block a firm's access to such capital".

At an industry level, closing the knowledge gap will require a concerted effort from numerous stakeholders, according to Hunter. She believes there is a need for clearer guidance providing a set of standards for marketing professionals to follow when communicating about sustainability matters.

"Achieving a consistent approach to best practice requires collaboration between those who assess and certify sustainability credentials, advertising regulators and the industry," Hunter says.

That would require open conversations between brands, agencies, sustainability specialists, industry bodies, NGOs and wider business networks to identify the knowledge and skills that marketing teams need to possess.

At an organisational level, closing the knowledge gap will require marketing and other key functions in the business to break out of their silos, says Klinkenberg-Matthews.

"There needs to be closer cooperation between marketing teams and those who are responsible for driving their organisations' ESG initiatives," she argues. "These people live and breathe sustainability, and they will have in-depth knowledge of the latest regulations. Some of the most forward-thinking organisations are combining roles in sustainability and communications to achieve this change."

Garzanli reveals that Arçelik has created a committee that brings legal and manufacturing managers

> **As marketers have gained more understanding, they've realised that the gap is bigger than they first thought**

together with their marketing colleagues "to share knowledge and ensure credibility on sustainability issues. This way, marketers can catch up with the latest developments and best practices in sustainability and become more confident and effective."

Organisations looking to educate their marketing teams also have a range of courses available to them. These include the WFA's training for members and signatories to its Planet Pledge and marketing-specific courses offered by Ad Net Zero and the Cambridge Institute for Sustainability Leadership.

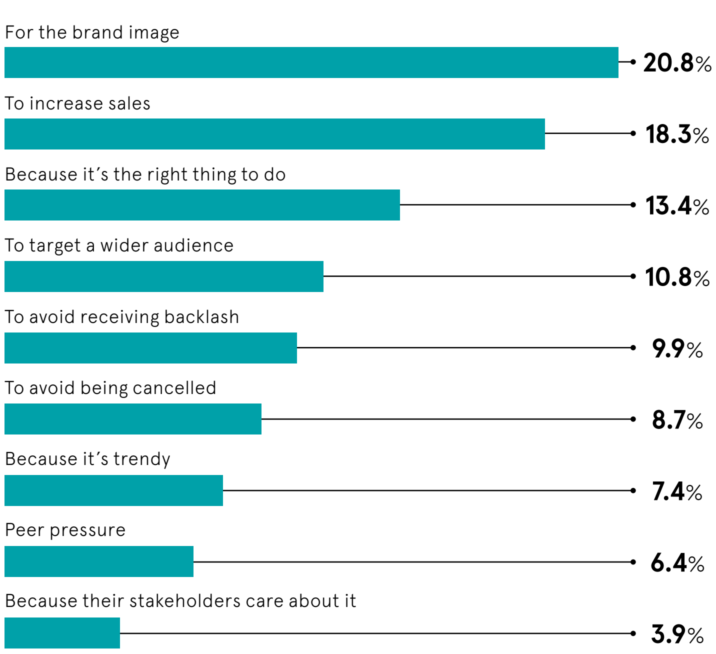
But there is also an onus on marketers to accept responsibility on an individual level for self-improvement, demonstrating their professionalism by taking the initiative, according to Dreblow.

"It's easy to say that companies should be training all their employees in sustainability matters," he says. But, rather than waiting for that to happen, marketers need to "help improve themselves in terms of what they're reading and where they're being trained".

Any marketer who can stay on top of developments in sustainability will be of significant value to their employer. In doing so, they'll also set themselves apart from the many who've failed to come to grips with the subject, which will surely only increase in importance over the coming years.

THE MOTIVES BEHIND SUSTAINABLE MARKETING STRATEGIES

Reasons why companies invest in sustainable marketing strategies in select European companies according to marketers



Sortlist, 2022

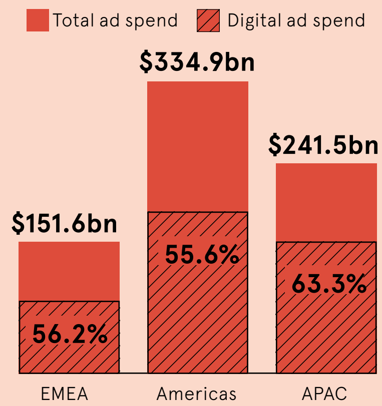
Commercial feature

DIGITAL REACHES MATURITY IN THE MARKETING MIX

Dentsu, 2023

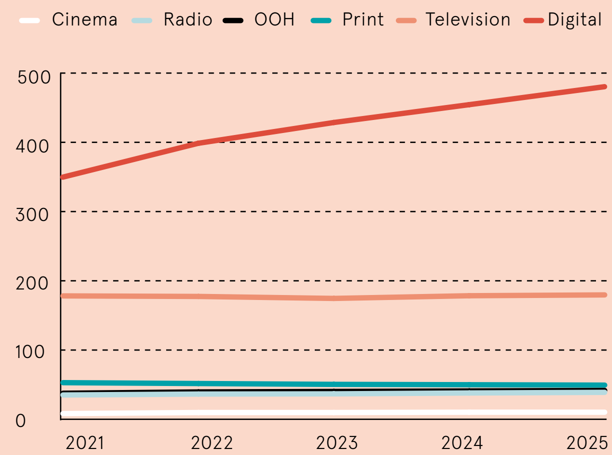
DIGITAL ADVERTISING WILL CONTINUE TO WIELD CONSIDERABLE INFLUENCE GLOBALLY

Regional ad spend forecast for 2023



A SETTLING OF SPEND: A THREE-YEAR CYCLE OF SINGLE-DIGIT GROWTH FOR DIGITAL PROJECTED

Past and projected ad spend by channel ($bn)



Investing in reinvention: advertising's next act

A new media landscape is emerging, one that balances efficiency and innovation

If speculation is to be believed, the future of advertising will be a better one. Campaigns will be greener, cleaner and more equitable. Personalisation will prove a boon for audiences and brands alike - and agencies will embrace, with open arms, a spate of oncoming innovations.

Musing on the possibilities is one thing, but that vision of the future isn't so far off, says Peter Huijboom.

A former data, insights and research entrepreneur and the CEO of media international markets at advertising network Dentsu, Huijboom notes that economic and geopolitical insecurity has shaken the sector. We need look no further than the media and tech industry layoffs that made headlines earlier this year to see that, he points out. Pressing forward, the industry approach will be one that prioritises technology, data, sustainability, and purpose.

"The media landscape is investing in its reinvention," says Huijboom. "There's a climate emergency to contend with, so agencies will be backing more sustainable media. Inflationary pressures are reinvigorating ad-funded video-on-demand plans and boosting TV investments. And AI is already being tested to maximise media effectiveness."

Excluding 2009 and 2020, which bore the brunt of the financial crisis and the Covid-19 outbreak, respectively, digital media has witnessed strong double-digit growth over the past two decades. However, this year will mark the beginning of a three-year cycle of single-digit growth for digital. These steadier gains suggest it's reaching maturity in the marketing mix.

"The future will tell if this is a temporary slowdown or a true inflection point toward a structurally slower growth pace for digital," says Huijboom.

Naturally, advertising is settling into a new rhythm. Rapid growth in retail media and connected TV (CTV) is supplementing more subdued growth across traditional digital avenues such as search, banners and video, which collectively account for a high proportion of total spend.

With that, digital is projected to experience almost consistent incremental growth over the next three years, accounting for about $3 in every $5 spent in advertising worldwide, according to the latest edition of Dentsu's Global Ad Spend Forecasts.

As businesses pay closer attention to their bottom lines, campaigns will continue to become more 'measurable' in the year ahead, with retail media, CTV, and social all vying for a greater proportion of ad spend. Addressable models offer targeted advertising based on user data and preferences that let marketers assess results and adapt content in real time.

"The good thing about that is brands can deliver valuable experiences more efficiently. But advertisers must work to preserve the value exchange with audiences," Huijboom warns. "Many consumers feel the traditional value exchange in advertising, where people enjoy free content in exchange for their attention, has been damaged through trade-offs with their privacy."

From a macro perspective, the global outlook suggests the industry is gearing up for dynamic growth. The United States remains the world's largest advertising market, set to reach $300.6bn in 2023. That being said, Brazil will take home the title of the fastest-growing market in the Americas, having reached relative stability following a drawn-out pandemic recovery.

Meanwhile, in Europe, the UK emerges as both the largest advertising market at a projected $42.4bn and the fastest growing in 2023, with digital accounting for more than 70% of the country's ad spend.

China, Asia-Pacific's largest advertising market, is forecast to hit $123.4bn in light of the economy's recent reopening. The region's most dynamic player, however, is India, which will see its third consecutive year of double-digit growth. Where smart devices and internet connectivity bumps up in the region, marketing dollars are sure to follow.

With this headway, advertising has a chance to nurture innovation. "Climate change is an important issue, and the continuous growth of ad spend highlights our role in moving society toward net zero - starting with its carbon footprint," says Huijboom. He expects carbon management solutions to gain traction as marketers reconsider the environmental impacts of what, where and how advertising is placed.

By the same token, developments in generative AI will herald a new era in advertising, particularly for search. "Applications like ChatGPT have the potential to profoundly change how people access information online and how they interact with brands," Huijboom continues.

"The market dynamics will not change overnight," he adds. But the foundations for a reimagining of the sector have been laid.

Commercial feature

95%

of B2B buyers say video plays an important role in deciding to move forward with a purchase.

Brightcove, 2022

20%

Improvement in conversion rates when applying video data insights

225%

Average ROI by improving the video experience with analytics and operational efficiency

Brightcove, 2021

Stop looking at video as a cost - it can be a real revenue driver

Video content is now an all but ubiquitous tool for marketing teams, but can be seen as an expensive investment of time and money. With the right approach, however, you can turn video into something that drives revenue and accelerates other critical business objectives

In a recent survey on the state of video marketing, 91% of businesses reported using video, with 96% valuing it as an important part of their strategy. It's clear that almost every marketing department understands that video is a key tool in their arsenal, a medium to connect with their customers across different channels, in myriad different ways.

However, though there may be a top-level understanding that video is important, there's a big gap between that and understanding how to get the most out of it. Video can be seen as an expensive cost and time-sink, so it's important to understand how to maximise the return on what you put into it, rather than treating it as a 'necessary evil'.

The most obvious way that video drives revenue is as part of the sales process - helping to sell even when you don't know who the buyer is. "The sales process doesn't start when someone speaks to sales", says Meta Karagianni, vice-president of enterprise advisory practice at Brightcove, a platform that helps companies leverage the possibilities of video.

"In a B2B environment, a very small percentage of buying decisions are taken by one or two people - typically they may involve five, six or even more stakeholders. You may be directly engaging one of those people, but you don't have direct contact with the others; increasingly key parts of the buying group will be unknown and video is often the way these anonymous buyers engage with a potential supplier."

But it's important to understand that video isn't just about pushing out your message - it can also help you understand who your customers are, what they want, and where your products are meeting, or failing to meet, their expectations. Rather than seeing video as an unfortunately necessary expense, CMOs should look at it as a potential driver of cost savings - if they can use it in the right way.

Pushing out video to third party platforms like YouTube or social media is obviously important in terms of reach, but can leave much to be desired in terms of what you can learn from your video content and what's engaging your customers. Especially as privacy laws have started to (and will continue to) come into play, depleting the amount and quality of data available through third parties, video can be an opportunity to collect first-party data and ensure you're not missing crucial insights.

> Rather than seeing video as an unfortunately necessary expense, CMOs should look at it as a potential driver of cost savings - if they can use it in the right way

If you can get customers to engage with content that you host, using a platform that provides you with in-depth, one-stop analytics, you can understand which elements of your content they're engaging with across all distribution channels - for example, where do they drop off? What do they skip? This can not only help you refine the video content you're pushing out, but potentially even help you to understand which parts of your product offering they're interested in.

And the better you understand what's working about your video content, the more efficient you can make it - if your customers are responding to a certain type of content, you might want to create more of it, or look to repurpose existing examples of it when pushing content out into new channels. Karagianni points to a different way of thinking about this kind of content. "Often video is treated as a monolithic asset that's expensive and cumbersome to produce but, once you have that video, you can slice it and dice it and use it throughout the sales journey or the customer lifecycle to meet specific audience needs and objectives, having positive impact on the buyer or customer experience." Rather than viewing each video as a single costly asset, see it as the starting point for multiple potential assets that could serve you and your customers in multiple different ways.

Demonstrating the ROI of video has traditionally been thought of as a nebulous exercise, but collecting the right data and paying attention to what the data is telling you can absolutely drive revenue and reduce costs. In Karagianni's view, it's important to treat video as part of a wider strategy. "If you integrate the data and analytics you're collecting through your video into your other marketing platforms, it becomes a signal, a piece of the data puzzle that you can use to decode intent and optimise your campaign, messaging and content strategies".

Customers of all sorts consume a massive amount of video; around 96% of people report having used an explainer video to learn about a product or service. If your customers are engaging with you via video, that's where you can get key insights about what they're interested in. Where companies use metrics like the Net Promoter Score to understand customer satisfaction, they could equally be looking at what percentage of an audience is watching different videos to completion and what percentage continue their journey after watching.

CMOs could be leaving real money on the table by not taking advantage of the potential of video. In a study run by research company Forrester, Brightcove's customers reported an average ROI of 225% for what they'd invested in improving their video experience, analytics and operational efficiency.

What has been seen as a difficult and costly endeavour can and should be a key part of a marketing strategy: video can reap real returns if you ensure that you are presenting it at the right time, in the right way, with the right data, to the right audience. Instead of making the case for what they need to spend on video content, CMOs should be making the case for just how much revenue video can drive.

For more information please visit brightcove.com

INNOVATION

The secret of Nike's marketing success

Ben Affleck's recent film, Air, tells the story of how the sportswear company overcame its struggles in the 1980s with a marketing slam-dunk that any business can learn from

Rohan Banerjee

In Hollywood's apparent quest to present movie-goers with things they know they already like, April's Air, represented a refreshing change of pace. Rather than yet another reboot or reimagining of a superhero, the biographical sports drama directed by Ben Affleck offered a different sort of origin story: that of the world's most successful line of sneakers. According to Forbes, Nike's Air Jordan line generated nearly $5bn in sales last year alone.

With an ensemble cast featuring Affleck himself, Matt Damon, Jason Bateman and Viola Davis, the movie is an ode to masterful marketing.

Nowadays, it's hard to think of Nike as anything other than a sportswear giant. In 2022, Brand Finance ranked it as the most valuable clothing company in the world, worth an estimated $33.2bn, ahead of Louis Vuitton ($23.4bn), Gucci ($18.1bn), and Chanel ($15.3bn).

But the 1980s didn't start well for Nike. After the it went public, the company posted its first losing quarter and Wall Street, at one point, even had the share price down to single digits.

Things got so bad that Nike had to dump millions of pairs of shoes for as little as a dollar each just to stay afloat. Budgets were cut. Workers were laid off.

But attack, they say, is sometimes the best form of defence. Where Nike might have been tempted to continue a strategy of scaling back, it chose instead to gamble on one really big deal.

Sonny Vaccaro, who is played in the film by Damon, was a Nike marketing executive with the task of seeking potential sponsorship deals. And in 1984, he stumbled upon a miracle: a rookie basketball player by the name of Michael Jordan.

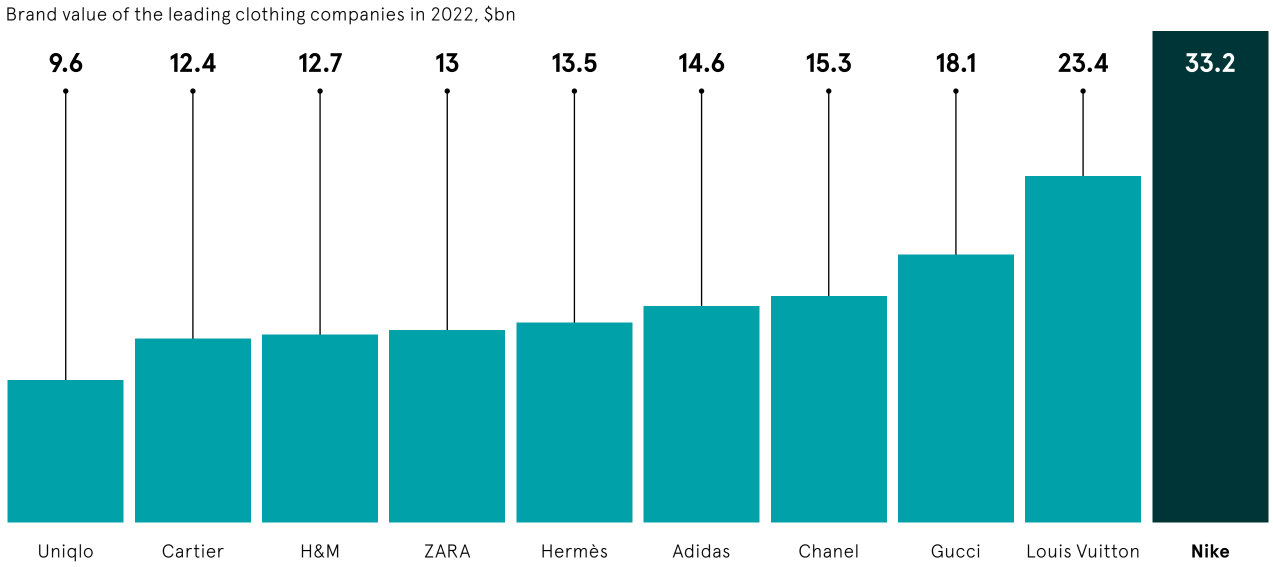
At the time, Nike was primarily viewed as a running brand. The basketball market, meanwhile, was led by Converse, Adidas and Reebok, which were worn by most of the top players.

Source

AIR JORDAN HAS HELPED NIKE TO BECOME THE MOST VALUABLE CLOTHING BRAND GLOBALLY

Brand Finance, 2022

Brand value of the leading clothing companies in 2022, $bn



Vaccaro saw this as an opportunity. Nike could offer Jordan something that the other brands couldn't: a line that was just for him, built on his own unique style and image.

Patrick Kampff, senior strategy director at branding and experience consultancy Siegel+Gale, explains that Nike did well to position itself as a "challenger". He adds: "Who doesn't love an underdog? We've seen the meteoric rise of startups that, through technology, displaced established players in pretty much any category. That's investing in the potential of change and a willingness to update the status quo."

> "Embracing the underdog mentality enables you to reassess your brand strategy in search of hidden opportunities that may not be visible when you're on top

Nonetheless, it wasn't an easy sell. Vaccaro had to convince his bosses, Phil Knight and Rob Strasser, to risk what money the company did have on an unproven, unknown athlete. And he had to convince Jordan, who was being courted by Adidas, to sign for Nike.

He managed to, and in doing so he sealed an unprecedented deal. Jordan was given a five-year contract with a base salary of $500,000 a year – more than triple any other such agreement in the NBA at that time. Crucially, Nike also gave him a 5% royalty entitlement on every pair of Air Jordan trainers sold.

Initially, the company forecast that Air Jordan would earn about $3m over the first four years of the contract. But so meteoric was MJ's rise that this figure ended up falling laughably short. After one year, Air Jordan revenue was $126m.

In his first season playing for the Chicago Bulls, Jordan won the NBA Rookie of the Year award, and his exhilarating, high-octane performances made him one of the most popular players in the sport.

The Air Jordan brand did hit an early snag. The first shoe, the Air Jordan 1, had a red and black colour scheme that didn't conform to the NBA's uniform rules. As a result, Jordan was fined $5,000 for every game that he wore it. But Nike was so invested by this point it just decided to foot the bill.

"The NBA ban," Kampff says, "made Jordan seem like a larger-than-life hero whose legendary status went much beyond the basketball court. Everybody wanted to 'be like Mike'. And the shoe was the instrument to make those dreams come true."

The fines were a drop in the ocean compared with the money Nike was making. The company even incorporated the rule-breaking message it was sending into its advertising for the brand.

In the years since, Air Jordan has evolved both on and off the court. As well as shoes, Nike has launched various Air Jordan clothes.

With the help of the iconic Jumpman logo, which depicts a silhouette of MJ leaping for a slam-dunk, Air Jordan has become as much a fashion symbol as the leading choice for basketball players. Early Air Jordan trainers are viewed as rare collectibles, with some pairs selling for thousands of dollars.

Bahar Shahidi, a senior strategist at DesignStudio, a branding agency, says the Air Jordan logo succeeds because "it's complex, detailed and 'alive' – at odds with the simplicity that most modern brands today adopt, and unusual within sportswear, too, where you tend to find cleaner, geometric shapes. Instead, this logo shows motion. It's unexpectedly 'real' rather than abstract."

Nike resisted the so-called "blanding" trend of the late 2010s, she explains, which involved "removing the 'noise' and detail in logos, with a focus instead on clean lines, simplifications, blending in, and uniformity. This can be seen as overly sanitised and nondescript by critics."

What can other businesses learn from Nike's success?

For Kampff, it's helpful for companies to think small and act big. "Embracing the underdog mentality enables you to reassess your brand strategy in search of hidden opportunities that may not be visible when you're on top," he says.

He also urges firms to take more calculated risks. "In today's ever-changing markets, standing still is usually a losing bet. Which are the bets your brand is willing to place to stay relevant for tomorrow's customer, in tomorrow's market?"

And on logo design, Shahidi adds that the key lesson to take from Air Jordan is to strive for "originality, individuality, texture and points of interest that bring soul to a brand".

The most successful companies, Shahidi suggests, will be those that escape the algorithmic "homogeneity" of overcrowded marketplaces, particularly in the digital age. She points out that luxury fashion brand Burberry has recently reverted to an older logo and typeface, featuring its Equestrian Knight illustration in favour of the text-only logo that was introduced in 2018.

Still, it would take something truly special to scale the heights that Nike has attained. Nike co-founder Phil Knight has said on record several times that signing Jordan was the best decision the company ever made. Given the evidence, it would be hard for anyone to disagree.

AD SPEND

10 years of The Long and the Short of It

A decade on from its publication, this "enduring" study still forms the bedrock of many marketing strategies and has helped marketers reframe why investing in advertising is good for business

Sarah Vizard

It's been 10 years since the 'godfathers of effectiveness', Peter Field and Les Binet, published *The Long and the Short of It*.

At the time, it was promoted as an "eagerly anticipated update" to previous work on accountability in marketing. Its aim: to examine the impact of timescales of effect, explore the tension between long- and short-term strategies and provide recommendations on how to approach advertising investment.

It did all this by examining the IPA databank, a series of detailed case studies entered into the organisation's Effectiveness Awards. By analysing the data, Binet and Field posited a theory for how companies should split their marketing spend between advertising spend meant to drive immediate sales (the short of it) and brand building that drives sales over a longer period (the long of it).

Its impact was not immediate. The advent of digital advertising meant many eschewed its recommendation to invest 60% of their marketing budget on brand building, preferring instead to focus on the promise of data and targeting to drive sales. But over time, global brands from Adidas to Airbnb admitted they had got the balance wrong and upped their brand investment.

The study has its critics. The source data is selective, comprising work deemed good enough by its contributors to be entered into the IPA's effectiveness awards. The idea of 'long' spend and 'short' spend has proved difficult to unpick. And its headline 60/40 budget split is obviously a simplification, which later work has attempted to address.

But it has done more than almost any other piece of research to help marketers understand the importance of short- and long-term investment – and explain it to the rest of the C-suite.

A decade on, top marketers at some of the world's biggest brands, still reference it in their marketing strategy and budget allocation. Here, we talk to four marketers, including one of the report authors, on its impact and what the future holds for marketing effectiveness.

> **"The Covid pandemic demonstrated how short-termism returns to marketing whenever the going gets tough**

Grace Kite

Founder and economist, Magic Numbers

We're still talking about *The Long and the Short of It* 10 years on because it is on a topic that marketers still struggle with – and perhaps always will: how and how much to invest in brand building. The long and short gave us a language to use for this debate and crucially some evidence to rely on. This was basically helpful to marketing people who know brand building is important, because they've seen it work, but find it hard to explain to people in their business.

A decade later, the conversation has shifted but one really critical area is how to do brand building – the long – in a world where media consumption has changed. TV has long been the go-to channel for this, but less people watch ad-funded TV content now; my kids' generation may never. So what can replace it? Is it possible to build brands online? And if so, how is the craft different? What works in the new situation?

I'm personally very optimistic. We've learned a lot about how to use online channels effectively to convert people who are shopping or researching online into customers. And we are learning how to use these channels in different ways for brand building. There is also a lot of evidence that online brand building works, from studies such as the IPA and Magic Numbers ARC database, which brings econometrics findings together.

Another reason for optimism is continued improvement in measurement. We have some of the best access to data and brilliant minds on the job. The evaluation work that goes on behind NDAs in our industry is phenomenal.

Peter Field

Marketing consultant and author of *The Long and the Short of It*

The Long and the Short of It was not an instant success. When Les Binet and I wrote the book, the marketing world was still infatuated with performance marketing and the wild promises of big data. Five years of being told that mass-audience brand building was outdated, unnecessary, inefficient and expensive had led to the relentless defunding of brand building in favour of short-term sales activation, epitomised by performance marketing.

At the heart of the new short-termism was the belief that a selling message delivered at the moment of decision was a better substitute for pre-built mental availability and for the brand advertising that creates it. It is not so, for reasons we explored in the book. Brands need both long and short activity to prosper.

By 2013 we could see the rapid growth of short-termism and were acutely aware of the dangers. *The Long and the Short of It* was written to alert marketing to a threat that few perceived or took seriously. Only as the decade wore on and brand support eroded further, along with the strength of the brands, did businesses start to ask where the growth had gone. Evidence of the danger from brands like Adidas, alongside Mark Ritson's citing of our work, helped to drive a widespread reappraisal of the short-termism doctrine. Suddenly our 60:40 'rule' for balancing brand and activation started to resonate with marketers.

We don't kid ourselves that the argument has been won – Covid has demonstrated how short-termism returns to marketing whenever the going gets tough. And a new wave of AI-powered technology will no doubt be used to repackage performance marketing for a new generation of marketers. But the essential truth of *The Long and the Short of It* will remain: strong brands matter to business success.

Ross Farquhar

Marketing director, Little Moons

The Long and the Short Of It has proved to be one of the marketing industry's most enduring pieces of work. This is partly because it advocated an empirically tested principle that seemed to answer an argument as old as time (how much to invest in 'promotion' versus how much to invest in 'brand') and partly because it did so with a concrete rule of thumb (60:40) that was later expanded on to make applicable according to brand maturity and category.

I call it enduring because, 10 years on from its publication, I still refer to it in almost every presentation I give. I talked about it only last week to our cross-functional leadership group. The idea that brands are built by investing in both short and long is an incredibly helpful tool in bringing people together to see that everyone in the business has a role to play. Perhaps the debate between those focused on short-term marketing and those on long-term need not be so adversarial.

But as the channel landscape becomes more complex and distinguishing the long from the short becomes more difficult, there's a danger that the simplicity of the approach is lost in the complexity of execution. For all the developments in areas like targeted TV and video-on-demand, the risk of the wrong tools being deployed has the potential to blight the effectiveness of our work. I only hope it's the principles behind *The Long and the Short of It* that remain front-of-mind.

> **"The conversation has shifted but one critical area is how to do brand building in a world where media consumption has changed**

Kate Cox

CMO, Brightbox

Having co-authored the slightly less prominent prequel *New Models of Marketing Effectiveness from Integration to Orchestration* in 2011, which explored the effective management of creative and campaign assets, I'm in awe of the significance of *The Long and Short of It*. When US CMOs and Swedish tech CEOs start referencing the '60:40' rule, it signifies a global impact.

The study serves as a counterweight to the growing short-termism in marketing. It correctly refocused marketing teams not just on reaching people currently seeking a solution (a small niche group), but also reaching future prospects not yet in the market (a much larger group reachable via different media channels).

This is significant as money follows metrics. Digital advertising is estimated to have taken 68% share of global ad spend in Q1 2023, compared to 14% in Q1 2013, according to data from Warc. This shift is driven by the prevalence of short-term digital marketing metrics that prioritise the 'last click' before a purchase. It's a battle that Google – and to a lesser extent Meta – tend to win.

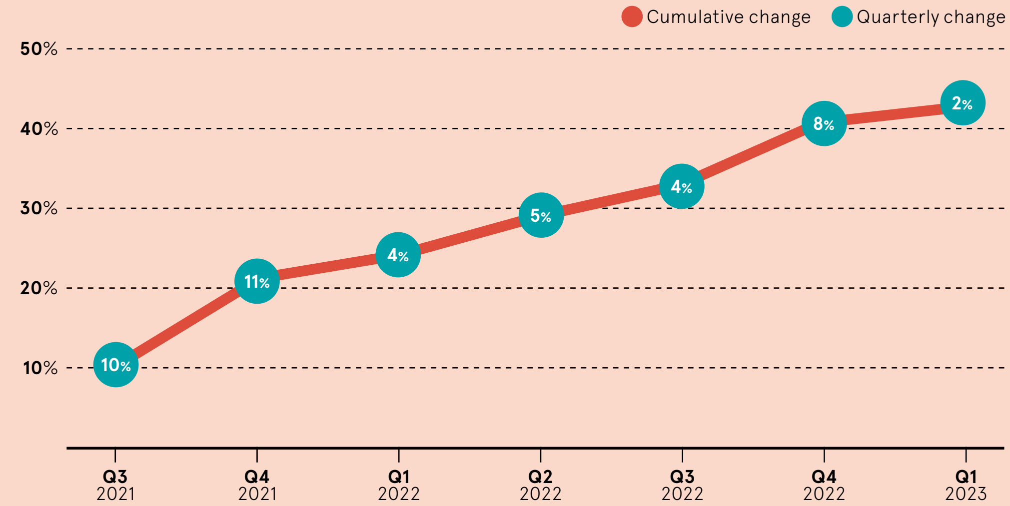
Both of these companies are now proposing more long-term ways of measuring marketing effectiveness, which are less focused exclusively on the immediate sale. A relentlessly short-term mindset reduces marketing's potential impact on business growth and overall effectiveness. Binet and Field compellingly argue for strengthening the role of longer-term promotion in the marketing mix and its influence on a company's ability to command higher prices in the market.

But does it enhance marketing's ability to build business value? Was it managing the complexity of digital channels at scale that allowed marketing to be pigeonholed as a quasi-sales team and reduced its impact overall? The rise of AI to help reduce this complexity sets the stage for marketing teams to refocus on the customer. It is only through this understanding that marketing can help businesses reshape their products and services to meet emerging customer needs and rebuild their contribution to enterprise value.

Commercial feature

CHANGE IN ORGANIC TRAFFIC: ALL RETAIL INDUSTRIES

Estimated change in traffic from organic search, based on keyword rankings, search volume, and typical clickthrough rates



Conductor, 2023

New report identifies major opportunity for SEO

As competition for the attention of digital customers heats up, brands will need to nail their SEO strategy to truly stand out

Generative AI is changing the landscape of online search. At the same time, evidence is emerging that Covid-19 lockdowns caused a fundamental shift in consumer behaviour, with shoppers acquiring a lasting preference for sourcing retail products online.

These trends have profound implications for retail companies, which will need to improve their profiles in online search in order to retain market share.

A permanent switch to online shopping is shown in a major study by Conductor, a leading SEO software company, which examined organic traffic to the websites of more than 1,000 major retail sites and found net increases in all parts of retail since mid-2021. Across the industry, there were seven quarters of consecutive traffic growth. "Even as lockdown restrictions were lifted, consumers continued to go online in greater and greater numbers," the authors noted.

This behavioural change is so entrenched that even the traditional slowdown in the economic cycle and retail consumer activity between Q4 and Q1 appears to be a thing of the past. The study, SEO Benchmarks, showed a quarter-on-quarter uptick in organic traffic to retail sites in both Q1 2022 and Q1 2023.

As chief marketers respond to these trends, they must contend with a squeeze on their budgets in a challenging economic climate. The CMO survey for March 2023 found that 52% of marketing leaders reported that inflationary pressures were decreasing their levels of marketing spend. Less than 17% reported an increase.

According to the Conductor study, which compared the cost per click (CPC) of paid marketing with the cost of generating the same traffic organically, the strategic use of SEO will save the average retail company €6.6m per year. The savings in grocery retail were highest, at nearly €5m per quarter, due to intense competition driving up the price of keywords and CPC.

In sectors where keywords are expensive, Conductor recommends a switch in marketing strategy. "Shifting paid media budgets towards less expensive keywords can save money," it says. "You can then acquire traffic for the competitive keywords with solid SEO."

Amazon, more than any other company, recognises the power of strong SEO. The Conductor study analysed the top-10 Google rankings for thousands of transactional keywords and found that Amazon leads organic market share across every sector in retail. In apparel, Amazon enjoys a market share of 22%, while global brands such as Nike and Ralph Lauren control 2% and 1%, respectively. In sports and outdoor, Amazon has a 27% share, compared with eBay, which holds 2%, and ASOS, with 1%. And in office supplies, Amazon commands 25% of the market, compared with Office Depot at 7% and Staples at 6%.

Beyond Amazon, the fierce competition across retail creates ready opportunities for growth. "In most sectors, just a few percentage points separate the major players," the study's authors write. "This means that even a small change in a website's standing across relevant keywords could have a significant impact on their market share."

Achieving this change is the task of the SEO director. The Conductor study urges them not to ignore non-traditional competitors, such as media companies, who are taking organic market share. It stresses the need to create content that raises the company's expertise, authoritativeness and trustworthiness (EAT) – all qualities Google's search algorithm rewards. As search engines race to integrate generative AI, having content that meets the highest EAT standards becomes even more important. Now is the time to secure and maximise market share before real estate within the top-10 search results gets even more competitive.

SEO directors must make their case to the board. In a guide to reporting to the C-suite, Conductor urges SEO directors to avoid SEO jargon and to use the language and metrics of the executives they are addressing. Being "concise, credible, compelling and comparable" are the key components to an SEO report that will land with the C-suite, it argues.

The investment value of SEO is clear, especially in times of recession. "Compared to paid media, the customer-acquisition cost is low, and the ROI is high," says the study. "If you are not at the top of the search results, your competitors are. Getting there and staying there is the key to long-term success."

For more information on the value of SEO, visit conductor.com/academy/seo-reporting/

conductor