The link between creativity and effectiveness

New findings from The Gunn Report and the IPA Databank

In association with thinkbox

IPA

Promoting the value of agencies
Foreword

The Gunn Report is based on a simple enough idea. We combine the winners’ lists from the top advertising awards contests in the world in order to establish the annual worldwide league tables for the advertising industry. In 2009, that was the world’s top 39 shows – national, regional and global.

Now, tallying up award show wins for a living may seem a somewhat frivolous endeavour. But we like to think it has a serious underpinning; because we firmly believe in the power of creativity to produce sales for the immediate present at one and the same time as it builds reputation for the long haul.

At Leo Burnett, back in the nineties, I was the impetuous volunteer who conceived of, then carried out the “Do Award Winning Commercials Sell?” study. This consisted of identifying the 400 most awarded commercials and campaigns in the world from 1992 – 1995; then painstakingly gathering in the 400 case histories. The result was pretty compelling: 86.5% of them had been associated with market place success. But 1992 – 1995 is a long time ago.

The IPA Effectiveness Awards – now in their 30th anniversary year – are without a shadow of a doubt la crème de la crème in their field. They are hugely trusted and respected. No other country in the world has anything to match them for the quality of information and evidence they so rigorously require.

That’s why for The Gunn Report the opportunity to merge our awards data with the IPA effectiveness data – on a current and ongoing basis – is like a dream come true. Especially as the IPA awards are now open to case studies from around the world.

Donald Gunn
Founder and Chairman, The Gunn Report
Introduction

Creative awards are still often seen as a distraction from the business of selling. Although there have been signs that attitudes have begun to move in favour of creative awards in recent years, by no means all advertisers believe that they hold any commercial value.

This is not an academic debate. As advertisers are forced to look ever harder for an advantage in their marketing communications, creative awards have the potential to provide a constructive stimulus to agencies – if it is indeed true that the winning of creative awards is linked to superior effectiveness.

By bringing together two gold standard resources in their respective fields – the Gunn Report database of creatively-awarded campaigns with the IPA Effectiveness Databank – this project aims to shed new light on the question and hopefully to answer it convincingly.

The Gunn Report compiles the winners, since 1999, from the most important and respected creative awards competitions around the world: some global, some regional and some national. Awards from the plethora of lesser creative competitions are not included. The awards cover TV & cinema, print, online and integrated multi-channel campaigns. Gunn Report scores therefore reflect the performance of a campaign across these competitions and channels; in this analysis only the total scores have been used, as the volume of data does not yet allow us to reliably examine the contributions of creativity in individual channels. Inevitably TV constitutes the largest element of Gunn Report scores with 74%: the remaining points are spread across print and online.

The IPA databank compiles hard effectiveness data on all entrants to the biennial IPA Effectiveness Awards competition: some 257 different campaigns over the 2000-2008 awards competitions that are contemporaneous with the Gunn Report data. The data reports the nature and circumstances of each campaign and its effects in comparable format and allows us to rate campaigns on a number of effectiveness dimensions. The fusion of the two databases therefore, allows us to compare levels of creativity with levels of effectiveness to an extent that has not previously been possible.

The IPA and The Gunn Report are grateful for the support of Thinkbox for this project.

Janet Hull
IPA Director of Marketing
Management Summary

This report draws on analysis of the results of fusing the Gunn Report database of creatively-awarded campaigns with the IPA Effectiveness Databank to examine the link between creativity and effectiveness. The analysis compares the scale of hard business effects achieved by the creatively-awarded campaigns in the IPA Databank with the non-awarded campaigns.

Although the two groups of campaigns being compared are matched in most respects, in one important respect they are not: the non-awarded campaigns received much greater relative levels of media support. This tends to mask the headline effects of creativity on effectiveness, but has been allowed for in the analysis to reveal the true underlying effect.

The analysis demonstrates a very strong link between creativity and effectiveness:

- Creatively-awarded IPA campaigns are more effective than non-awarded ones despite lower levels of Excess Share of Voice or ESOV (share of voice minus share of market).

- There is a very strong link between creativity and effectiveness when ESOV levels are taken into account.

  Creatively-awarded campaigns are 11 times more efficient than non-awarded ones in terms of the level of market share growth they drive per point of ESOV.

- If the creatively-awarded campaigns in the IPA Databank had enjoyed the same level of ESOV as the non-awarded campaigns, they would have resulted in two times more market share growth than the non-awarded campaigns achieved. The difference in terms of return on investment is likely to be much greater than this.

- Creatively-awarded campaigns appear to achieve their greater effectiveness levels with much greater certainty than the non-awarded campaigns: they are more reliable investments.

- For equivalent levels of investment, creatively-awarded campaigns achieve broader levels of success across greater numbers of business metrics beyond share growth.
The greater the level of creativity (i.e. the more major creative awards a campaign wins) the greater the level of effectiveness

The link between creativity and effectiveness appears to be driven to a significant degree by two important factors:

1. The preponderance of emotional communications models amongst creatively-awarded campaigns (emotional campaigns have been shown elsewhere to be strongly linked to effectiveness).

2. The much greater 'buzz' effects of creatively-awarded campaigns (buzz has also been shown elsewhere to be strongly linked with effectiveness). It is an innate quality of highly creative advertising and cannot be bought through media expenditure.
The sample of campaigns

The sample used for this study was the **257 IPA cases studies for which Gunn Report scores were all available**. Clearly 257 is a tiny proportion of the 150,000 or so advertisers that compete for our expenditure in the UK each year. An even smaller proportion – around 1 in 7000 – pick up the minimum major creative awards needed to be recorded in the Gunn Report each year. Elementary statistics suggests that we simply shouldn’t find any campaigns that appear in both the Gunn Report and IPA databases if creativity and effectiveness are not linked. Even if you assume that only 1% of campaigns are placed by the kind of agencies that might enter creative or effectiveness competitions then we might expect around 7 (3%) of the 257 biennial campaigns to appear in the Gunn Report – if creativity and effectiveness are not linked.

In fact, no fewer than **46 (18%) of the sample of IPA campaigns appear in the Gunn Report database with scores of at least 1 point, which is a fairly strong suggestion that there might be some relationship**. But this is not certain proof and so in this study we shall examine whether the 18% of creatively-awarded campaigns (i.e. campaigns with at least 1 Gunn Report score point) outperformed the 82% of non-awarded campaigns in **hard business** terms.

Interestingly, this 18% proportion is the same for not-for-profit campaigns (charities, causes and Government) as it is for for-profit campaigns. But here the comparison of the two sectors must end, because there are only 44 not-for-profit campaigns in the sample and the metrics used to establish their effectiveness cannot be the same hard business metrics as for-profit campaigns, as these are simply not relevant to them. So the majority of this report and study is concerned with the 213 for-profit case studies, 38 of which were creatively-awarded. Some cautious observations are made concerning the small not-for-profit sample at the end of this report.
For-profit campaign analysis

1. Key metrics

The key metrics that have been used in the analysis of for-profit campaigns are:

1. The Effectiveness Success Rate (ESR)

   This metric was developed and validated in *Marketing in the Era of Accountability* (MEA) – it measures the proportion of campaigns that generated any ‘very large’ (i.e. ‘top box’) scores across a wide range of business metrics from penetration to share and profit growth. The metric is used because it is able to identify high performers across the widely divergent objectives and challenges facing the diverse brands in the IPA Databank. No single business metric can reliably do this.

2. Efficiency

   This metric was widely used in *Marketing in the Era of Accountability* – it measures the market share growth (in percentage points) achieved per 10 percentage points of Excess Share of Voice (ESOV). Many studies have established that there is a strong relationship between share growth and ESOV, so any divergence from this relationship is a good measure of the potency of the campaign that is independent of the weight of expenditure put behind it. That is to say it measures the efficiency with which results were achieved and can thus provide a level playing field on which to examine campaigns with very different expenditure levels.

2. Is the comparison of creatively-awarded and non-awarded campaigns fair?

   It is widely known and was reported in *Marketing in the Era of Accountability* that many circumstantial factors can affect the likely effectiveness of campaigns, so it is important to examine whether the creatively-awarded and non-awarded samples of campaigns were evenly matched in these respects, and if not, to assess the scale of impact on the findings. Happily the two samples were fairly evenly matched across most of these key factors: these are detailed in the Appendix.

   However, the two samples were **not well matched in one very important sense: share of voice (SOV).** Although full SOV and market share data is only available for around half of the sample, a very clear mismatch is evident. This is important because Excess Share of Voice (ESOV) – defined as SOV minus SOM – has been shown in a
number of studies to be a major factor explaining market share growth. Brands with positive ESOV tend to grow until they reach the stable equilibrium point for that level of SOV, whereas brands with negative ESOV tend to shrink to their lower equilibrium point (FIGURE 1).

The precise relationship between ESOV and SOM growth for the population of campaigns used in this study is shown in Figure 2: it is a very strong relationship statistically speaking with a 99% confidence level.

Source: Marketing in the Era of Accountability
Thus on average campaigns in this study built share growth of 1.1 share points per 10 points of ESOV.

In this context the scale of the mismatch was considerable: **creatively-non-awarded campaigns enjoyed on average 16.3 percentage points of ESOV whereas creatively-awarded campaigns received only 7.0 percentage points of ESOV.** Referring to Figure 2 you can gauge the likely overall effect of this 9 point ESOV advantage of non-awarded campaigns: around 1 point of market share growth and with knock-on effects across the spectrum of metrics being examined in this study. This is a very significant effectiveness advantage that must be taken account of in the analysis of relative levels of effect. For this reason the analysis will lead off with a comparison of efficiency levels that inherently eliminates the ESOV effect. Wherever possible in this analysis an attempt will be made to account for ESOV levels and reveal the true pattern of effectiveness lying behind them. For example, by examining the Effectiveness Success Rates (ESR) of creatively-awarded and non-awarded campaigns within ESOV bands it is possible to eliminate the advantage of the higher ESOV levels of the latter.
Main findings

1. Efficiency levels of creatively-awarded vs. creatively non-awarded campaigns

By repeating the market share growth vs. ESOV analysis of Figure 2 separately for the creatively-awarded and non-awarded campaigns comparisons can be made of the relative levels of efficiency with which the campaigns worked. The difference is very considerable indeed.

Creatively-non-awarded campaigns

Figure 3 shows the efficiency relationship for non-awarded campaigns, which on average generate 0.5 points of share growth per 10 points of ESOV.

This is around half the efficiency level of the entire sample implying that the efficiency of the smaller creatively-awarded sample must be considerably greater, as indeed it is.

Creatively-awarded campaigns

Figure 4 shows the efficiency relationship for creatively-awarded campaigns which on average generate 5.7 points of share growth per 10 points of ESOV; around 11 times greater than the 0.5 points of growth for creatively-non-awarded campaigns.
Creatively-awarded campaigns are more efficient

Overlaying the two plot lines the 11:1 efficiency advantage of the creatively-awarded campaigns over the non-awarded ones becomes clear. (FIGURE 5)

But it is also worth noting two other important features of the analysis.
**Certainty of effect**

Firstly, the confidence level of the creatively-awarded efficiency line is considerably higher than the non-awarded one. This suggests that another important advantage of being creatively-awarded may be greater certainty of effect: there is a clear commercial benefit to this.

**The case for increasing support**

Secondly, under-supporting (i.e. with negative ESOV) creatively-awarded campaigns is counter productive. Without adequate priming the creativity effect is lost. There is a suggestion later in this report of why this might be, but the analysis appears to contradict the widely held belief that the profitability benefit of more effective advertising lies in being able to cut the budget. The reverse would appear to be true: with highly creative and highly effective advertising the return on investment of positive ESOV will be considerably increased. Wise marketers will invest behind creatively-awarded campaigns while they have the benefit of creativity on their side.

A simple way to illustrate this is to consider what share growth the creatively-awarded campaigns would have enjoyed had they received the same average level of ESOV that the non-awarded campaigns received (TABLE 1).

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>With the same ESOV, creatively-awarded campaigns would have driven 2x more share growth than non-awarded campaigns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average SOM growth at actual ESOV</td>
<td>Average SOM growth at same ESOV</td>
</tr>
<tr>
<td>Creatively-non-awarded campaigns</td>
<td>5.8 points</td>
</tr>
<tr>
<td>Creatively-awarded campaigns</td>
<td>7.3 points</td>
</tr>
</tbody>
</table>

Despite lower ESOV levels the average share gain of the creatively-awarded campaigns was significantly higher (7.3 vs. 5.8 points). However with the same level of ESOV as non-awarded campaigns, creatively-awarded campaigns would have driven more than two times the share growth (12.6 points). Impressive though this is, the impact on return on investment is likely to be considerably greater than this.
2. Effectiveness levels of creatively-awarded vs. creatively-non-awarded campaigns

Headline results

Effectiveness is measured by the Effectiveness Success Rate (ESR), which records the likelihood of generating any very large business effects. Looking simply at the headline ESRs of the creatively-awarded and non-awarded campaigns shows a modest advantage for the former (TABLE 2).

<table>
<thead>
<tr>
<th>Headline ESRs for creatively-awarded and non-awarded campaigns</th>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Creatively-non-awarded campaigns</td>
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<tr>
<td>Creatively-awarded campaigns</td>
</tr>
</tbody>
</table>

However, analysis shows that the ESR is strongly affected by ESOV (TABLE 3) and that therefore this is likely to have masked the true difference in ESR between creatively-awarded and non-awarded campaigns.

<table>
<thead>
<tr>
<th>The impact of ESOV on ESR</th>
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<tr>
<td></td>
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<tr>
<td>ESOV ≤ 6%</td>
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<tr>
<td>ESOV &gt; 6%</td>
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Dividing the sample evenly at the midpoint in ESOV terms (6 points) shows that high ESOV campaigns enjoyed a considerably higher ESR (81%) than low ESOV campaigns (63%). This is not surprising given the SOM/ESOV analysis already examined.

The effect of creativity within ESOV bands

Examining the impact of creativity within these two ESOV bands reveals a much more powerful effect (FIGURE 6).
Within ESOV bands creatively-awarded campaigns are considerably more effective in the broad business terms of the ESR than non-awarded campaigns, especially at lower levels of ESOV (75% ESR vs. 59%). It may appear contradictory to earlier findings that the difference is less for high ESOV campaigns (88% vs. 80%) – those that ought to benefit most from creativity. In fact, examining the composition of this group suggests that mismatches of the sector profiles and market share levels of the awarded and non-awarded campaigns have masked the true difference compared to the low ESOV group. And of course, the difficulty of raising ESR levels as the 100% point is approached is another factor.

3. Levels of creativity

So far this analysis has been somewhat binary, comparing creatively-awarded campaigns with non-awarded campaigns. But what about levels of creativity: higher Gunn Report scores vs. lower (i.e. many major creative awards vs. few or none)? In theory, if creativity is good for effectiveness then greater creativity ought to be better. To test this hypothesis with the limited number of creatively-awarded campaigns available, Figure 7 examines the average Gunn Report scores of campaigns generating higher numbers of very large business effects (2+) with those generating lower numbers (0 or 1). This division point again divides the sample more or less into two equal halves.
The number of very large business effects is a crude proxy for levels of effectiveness, but has been validated in *Marketing in the Era of Accountability* (Table 5) as correlating with share growth. It is used here because it is available for all of the campaigns whereas actual share growth is only available for about half of them. **Campaigns generating higher numbers of business effects are clearly associated with higher levels of creativity** (3.1 average Gunn Report score vs. 2.0). But again, ESOV will probably be masking the true scale of this relationship.

**The effect of creativity levels within ESOV bands**

If creativity levels and ESOV both influence effectiveness, then hypothetically the relationship shown diagrammatically in Figure 8 might be expected.
Campaigns achieving large numbers of business effects on low ESOV levels are, relatively speaking, the stars of the group: they might be expected to have the highest average Gunn Report scores. Conversely those achieving small numbers of business effects on high ESOV levels are, relatively speaking, the dogs of the group: they might be expected to have the lowest average Gunn Report scores. Those achieving few effects on low ESOV levels and many effects on high ESOV levels come somewhere between these extremes and might be expected to have intermediate scores.

The average Gunn Report Score results validate this hypothesis (FIGURE 9).

Once again the differences at high ESOV levels (0.8 vs. 0.1) appear narrower compared to those at low ESOV levels (12.1 vs. 3.5), but the pattern is clear.

4. How does creativity appear to work?

Viewed as a whole, the analysis above presents a consistent and strong picture in support of the belief that creativity is linked to effectiveness. The analysis can go further in beginning to identify how and why creatively-awarded campaigns work harder.

In Marketing in the Era of Accountability it was shown how campaigns that worked emotionally (by changing consumers feelings towards the brand) were significantly more effective than those that worked rationally (by providing information). This analysis reveals that creatively-awarded campaigns are much less likely to be rational than non-awarded campaigns (19% vs. 33%) and much more likely to be emotional (44% vs. 36%) with the balance being both emotional and rational in equal measure (FIGURE 10).
So, by selecting in favour of emotional campaigns creative award judges are likely to select in favour of more effective ones. But this does not entirely explain the considerable difference in effectiveness levels between creatively-awarded and non-awarded campaigns.

The most significant difference between creatively-awarded and non-awarded campaigns was in the scale of the fame effect they generated i.e. online and offline buzz (FIGURE 11).
**Creatively-awarded campaigns were twice as likely to generate very large fame effects than non-awarded campaigns.** The significance of this is that campaigns generating fame were shown in *Marketing in the Era of Accountability* to be the most effective of all. It is instructive to compare this with awareness growth, which appears to have nothing to do with the superior effectiveness of creatively-awarded campaigns. Probably because of their reduced ESOV levels creatively-awarded campaigns were less likely to lead to very large awareness shifts. Creatively-awarded campaigns were also associated with larger brand image shifts, but this is much less marked than the fame effect.

A final footnote on the value of creativity comes from examining fame vs. awareness in more detail. Figure 12 shows that the chance of achieving very large awareness growth is closely linked to ESOV, whereas very large fame effects are much less dependent on ESOV: they are a result of creativity rather than expenditure.

Thus fame, unlike awareness, is not something that can be bought – as a route to growth, fame is much less a function of money. The extra significance of this is that in *Marketing in the Era of Accountability* it was also shown that campaigns building brand fame were much more likely to lead to business success than those building awareness. This goes some way to explaining how to a degree, creativity can overcome the effects of lower ESOV, but also why there is a lower limit to this: to prime the pump of fame a campaign has to achieve a minimum level of exposure or there is nothing for consumers to share.
Creativity and effectiveness of not-for-profit campaigns

The available sample size of not-for-profit campaigns does not permit reliable conclusions to be drawn about the link between creativity and effectiveness. However, the following observations suggest that the winning of creative awards does not appear to link to effectiveness in the same convincing way as with not-for-profit (NFP) campaigns:

- Despite benefiting from much greater average marketing budgets than non-awarded campaigns (SOV has no meaning for most NFP campaigns), creatively-awarded campaigns were associated with fewer business effects and the same level of intermediate effects.

- Creative awards judges appear to be looking for other factors in NFP campaigns than they do in for-profit campaigns. Perhaps because the underlying causes behind the campaigns are often highly emotive themselves, judges are less influenced by this response to the campaign.

- The fame (buzz) effect that was so marked with creatively-awarded for-profit campaigns does not appear to be associated with creatively-awarded NFP campaigns. But there is no reason to suppose that buzz works any less hard in NFP – quite the reverse.

The addition of the 2010 awards data to the analysis later this year may enable more robust conclusions to be drawn, but for the time being the link between creativity and effectiveness in not-for-profit campaigns remains unproven.
Appendix

Comparison of factors that might have affected the for-profit findings

The following circumstantial factors were fairly evenly matched across the creatively-awarded and non-awarded samples:

- **Market share**
  The average market share of non-awarded campaigns was slightly higher (14.8%) than of creatively-awarded campaigns (13.9%). This would have given non-awarded campaigns a very slight effectiveness advantage as it has been shown (e.g. in *Budgeting for the Upturn*) that larger brands are able to drive greater growth from an equivalent pro-rata level of expenditure than smaller brands.

- **Leader versus challenger**
  Creatively-awarded campaigns were slightly more likely to be brand leaders (23%) than non-awarded campaigns (17%). This would have given creatively-awarded campaigns a slight effectiveness advantage that would have offset the share disadvantage observed above.

- **Category lifestage**
  Non-awarded campaigns were slightly more likely (32%) to be in new or growing categories than creatively-awarded campaigns (29%). As explained in *Brand Immortality*, this would have given non-awarded campaigns a very slight effectiveness advantage.

- **Launches and re-launches**
  Non-awarded campaigns were slightly more likely (39%) to be launches or re-launches than creatively-awarded campaigns (35%). As shown in *Marketing in the Era of Accountability* this would have given non-awarded campaigns a slight effectiveness advantage.

- **Use of communications channels**
  Creatively-awarded campaigns on average used one extra communications channel (6.2) than non-awarded campaigns (5.2) – using the definition of ‘channel’ in *Marketing in the Era of Accountability*. This would have given creatively-awarded campaigns an effectiveness advantage as reported in *Marketing in the Era of Accountability*, but it could be argued that the greater channel experimentation is a facet of the creativity at play here.
Taken together the factors above are extremely unlikely to have accounted for any significant differences in the observed levels of effectiveness of the creatively-awarded and non-awarded samples.

**Sector**, however, was slightly less well-matched. Creatively-awarded campaigns were considerably more likely to be for Durables (26%) than non-awarded campaigns (8%), whereas non-awarded campaigns were considerably more likely to be for Services (42% vs. 32%). In practice this would have given non-awarded campaigns an effectiveness advantage because of the greater responsiveness of Services brands to ad spend than Durables (see *Marketing in the Era of Accountability*). However this would have been offset by the greater likelihood that non-awarded campaigns were for FMCG brands (49% vs 42%), the least responsive sector of all to ad spend. Taken together the overall effect of this sector mismatch is unlikely to be great, but to make sure of this, the data has been analysed within sector (to the extent that is possible given the sample sizes) and no differences to the pattern of findings emerged.
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References and additional reading

A full webcast of the IPA/Gunn presentation, an event organised by Thinkbox, can be viewed here:

http://www.thinkboxlive.tv/2010/16june/

The introductory video of the presentation, showing examples of the creatively-awarded campaigns, can be viewed here:

http://www.ipa.co.uk/Content/Examples-of-creatively-awarded-campaigns

From www.ipa.co.uk/shop

*Pricing for the upturn: how can brands fight back?*, IPA (February, 2010).  
*How share of voice wins share of market*, IPA (July, 2009).  
*Price promotion during the downturn: shrewd or crude?*, IPA (April, 2009).  
*Advertising in a downturn*, IPA (March, 2008).  
*KPIs for Marketing Reporting*, IPA (April, 2008).  

Explore the IPA Databank online at http://idol.ipa.co.uk