The Business of Marketing

Monday October 31 2016

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Advertising requires a rethink

Restless consumers and technology are creating disruption, writes *Matthew Garrahan*

Sign of things to come: a digital billboard in Times Square, New York — Getty Images

Bill Bernbach, a founder of the DDB advertising agency and widely regarded as father of the modern marketing industry, once said that advertising "is fundamentally persuasion and persuasion happens to be not a science, but an art".

Brands spend more than $540bn worldwide on advertising, according to eMarketer, the research company. Yet marketing is increasingly grappling with significant problems. Whether reaching millennial consumers who want to escape marketing messages, or "cord-cutting" television viewers, who ditch cable and satellite subscriptions in favour of ad-free Netflix, advertisers are having to work harder than ever to find their audience.

Technological change has made the task harder still. Ad blocking software has created real problems for digital publishers reliant on display advertising. Ad fraud is a similar worry, with the World Federation of Advertisers, whose members include McDonald's and Unilever, recently warning of "endemic" digital ad fraud and claiming that up to 30 per cent of all online ads are never seen by real humans. The WFA is forecasting industry revenue losses of $50bn by 2025 unless marketers take immediate and effective action.

"Is it human beings seeing ads or just a machine? And if it's a human being is it actually a consumer?" says Brinsley Dresden, head of advertising and marketing at law firm Lewis Silkin.

At the same time, there is a big shift in consumer behaviour. Smartphones and mobile devices are fast becoming primary sources of entertainment and advertising dollars are flowing there at an increasingly rapid rate.

Facebook and Google have become the biggest recipients of digital ad spending. Combined, they accounted for 75 per cent of all new online ad spending in 2015, according to the Internet Trends report published this year by Mary Meeker of Kleiner Perkins Caufield & Byers, the US venture capital fund. In the US, 85 cents of every new dollar spent on digital went to the two companies in the first quarter of 2016.

This shift has profound implications for media buying agencies that make money by placing ads for clients, as well as for the clients paying for ad space. The emergence of a digital duopoly caused some concern at the ad industry's annual shindig in Cannes this summer, with private discussions taking place about creating a "third block" of TV advertising inventory to rival Facebook and Google. The talks centred on owners of television networks pooling inventory but it is unclear whether the talks have progressed much.

> 'You have to create effective engagement with the consumer'

The emergence of new digital platforms and services means brands must also rethink the way they sell their products. For example, Instagram and Snapchat have different audiences and require shorter, punchier ads compared with traditional 30 second TV spots.

Christopher Vollmer, global entertainment and media advisory leader for PwC's Strategy& consultancy, says advertising "has always been a combination of art and science. Technology is now becoming a third variable". Advertisers "have to get all three of these things right".

Not all aspects of advertising's tech revolution have been a surprise. Video has become a big driver of advertising online and on social media. "It tends to get the most consumer engagement on social media and mobile devices," Mr Vollmer says. This was one factor driving telecommunications company AT&T's blockbuster $85.4bn bid for Time Warner, which faces a year of regulatory scrutiny and no guarantee that it will be approved.

Time Warner owns one of the media industry's most impressive content portfolios, spanning CNN, the Warner Brothers film and television studio, and HBO, the premium cable channel. The ability to sell advertising against some of Time Warner's content was a big factor in the proposed deal. New technology means the combined entity would be in a powerful position in selling advertising targeted to individuals and specific consumer groups.

Technology advances should, theoretically, make it easier to market products. Elie Kanaan, executive vice-president of marketing at Criteo, a digital advertising group, says the industry must do a better job of targeting its messages to the right consumer groups.

Criteo uses available data and internet cookies — data sent from a website to a browser — to identify shopping patterns in order to send relevant ads to the right online or mobile user.

This targeted approach means the advertising beamed at consumers on their mobile devices can be more relevant. "Consumers want a seamless experience . . . they don't want aggressive advertising that is intrusive," he says. The company recently worked on a trial with several London retailers that installed beacons sending signals to the smartphones of shoppers. The beacons collected data about how long the people spent in the shops, as well as information about the items they spent time looking at.

Advertising is rapidly moving towards the personalised advertising world depicted in the Steven Spielberg movie *Minority Report*. But will this new era of targeting result in brands selling more products?

The most important aspect is engaging the consumer, says Mr Vollmer. "There's no shortage of screens and there's no shortage of impressions. But there's a shortage of high value connection points between brands and consumers, which is the whole point of advertising. You have to create effective engagement with the consumer that gets them to buy."

In this respect, advertising is the same as it ever was. Technology may have disrupted it but the industry's artistic heart still has a big role to play.

Inside

Better careers for women in advertising will create better ads

OPINION

Sue Unerman

Does more diversity produce more effective advertising? The ad industry is justifiably still being criticised for stereotyping women. In a YouGov poll this year, only 7 per cent of respondents thought women were normally depicted in "powerful and important roles" in ads.

Similarly, the advertising industry itself is still under fire for appointing too few women to powerful and important roles within agencies.

This year's IPA census, an annual survey of members of the Institute of Practitioners in Advertising, found that around 30 per cent of senior management roles in agencies are held by women. The figure was shored up by media buying agencies — the statistic for creative and non-media agencies is lower at a quarter.

Would a better gender balance in senior management improve the ultimate effectiveness of the work of the ad? Does it matter that women are under-represented?

Some big brands seem to think so. In recent weeks, US companies Verizon, HP and General Mills have all told their agencies to improve gender and ethnic minority representation. Many people believe this will spread to more brands, and beyond the US, as more companies see lack of diversity as a hindrance in their efforts to make connections with consumers.

Why is gender diversity — or lack of it — such a problem in ad agencies? Women in advertising in the UK still do not enjoy the same opportunities to reach the top as the men. There is no level playing field, despite assurances to the contrary. Some have blamed women for lack of drive or ability. But it is the existing system that is at fault.

This year Kathryn Jacob, chief executive of Pearl and Dean, and I wrote a book for women in business and their employers, *The Glass Wall*, inspired by the working women we meet. Dismantling of the "glass ceiling" started in earnest decades ago, yet most women come up against a "glass wall" in their careers that men with a similar level of talent seem to escape.

We conducted in-depth interviews with more than 100 people, commissioned quantitative research in the UK, US and Russia, and reviewed existing analysis of diversity in business. The book's title came from our conclusion that women can see through a "glass wall" the meetings they are excluded from or casual chats that they are not participating in but which propel careers.

> 'Verizon, HP and General Mills have told their agencies to improve gender and ethnic minority representation'

Our book's 41 case studies and comments on strategies to adopt are all based on real experiences, with advice for women and any business trying to promote women. Naturally, a number of the cases came from our own industries — in my case, advertising.

One interviewee was in her third year at an advertising agency she joined as a graduate. She expressed surprise at the differences between how men and women are treated there. Another, now managing director of her own business, recalled an incident from her time in a junior role in an advertising network. Invited by her boss for drinks in his hotel room after a dinner with clients, she was shocked to be propositioned. Should she have gone straight home after dinner? Maybe, but would a man in her position have had to consider the wisdom of networking a bit longer with a boss who had never made any intimate overture before?

The book includes one of my own experiences, as a lowly media planner on a pitch with a creative agency for Ajax Liquid cleaner. Having done some research among housewives, I knew how they felt about their portrayal in advertising, so when the pitch showed a couple of women having more time to play golf or learn French thanks to Ajax Liquid, I spoke up. What women really wanted was for someone else to do the cleaning. There was a rethink, and the Ajax Houseproud Hunk eventually emerged.

Diversity in adland "is woefully behind", as Claire Beale, global editor in chief of Campaign magazine, wrote recently.

Yet, in advertising it seems a no-brainer that having the team represent the same kind of diversity as the target market for the advertising is a good thing.

The writer is chief strategy officer of MediaCom UK and co-author of The Glass Wall — Success strategies for women at work and businesses that mean business

Television plots its comeback

Viewing habits

Innovation and evolving services mean TV is not such a turn-off, writes *Matthew Garrahan*

As seen on screen: TV is not dead as a medium but it is changing — Ian McKinnell

Television was supposed to be dead by now, killed by the internet. Yet as we enter the eighth decade since its mass adoption as the primary form of home entertainment, the glowing box in the living room is showing that rumours of its demise may have been premature.

In the past few years the increase in the popularity of streaming services such as Netflix, together with a shift by younger viewers towards digital platforms such as Facebook and Instagram, has hit TV audience ratings and advertising revenues.

Still, for the main US broadcast networks, 2016 is shaping up to be a solid year.

Like many commodities, television advertising in the US is sold via a futures market — the upfronts — where advertisers can lock in prices for the slots they buy. There is also spot buying, known as the "scatter" market, where unsold inventory is auctioned off throughout the year, and where price moves dependent on demand.

This year, concerns about whether the ads are being viewed and measurement of digital advertising sent brands scurrying back to the relative safety of broadcast television. Les Moonves, the chief executive of CBS, summed up the situation earlier this year. Broadcast television remained "the single best and most effective medium" for brands, he said. Digital advertising "sometimes lacks accuracy and credibility . . . as a result, there is a clear shift in advertising back to network television". That shift resulted in significant gains for CBS and rival networks with this year's upfront as much as five percentage points up on last year's sales. Across cable and broadcast, total sales were close to $19bn.

But when data were analysed in the second quarter of the year the picture was less rosy. "TV's share gains look fleeting," Michael Nathanson, an analyst with MoffettNathanson, wrote in a recent research note. "The narrative of TV taking back share from online could start to unwind."

In cable television, the advertising picture is not particularly clear. Some networks, such as Turner Broadcasting, which is part of Time Warner, have taken steps to run fewer ads on channels in order to retain viewers and offer advertisers more prominence and less clutter, as well as supporting ad rates in a weak market. After fewer ads ran on *Animal Kingdom*, a new drama series from Turner's TNT network, the company says the ads were more effective because viewers were more likely to remember the brand and to say they would buy a product or service.

The pace of television advertising innovation has been faster in the UK. Sky, the UK pay-TV group in which Rupert Murdoch's 21st Century Fox owns a 39 per cent stake, has developed a proprietary targeted advertising system that means one Sky customer could see one set of advertisements in its programming and the house next door could get another.

The technology has created new revenues from brands that want to target a particular region, or from local companies, such as car dealers seeking to market special offers to a defined location.

These campaigns can generate "three or four times what we would charge just through a standard, untargeted ad", Jeremy Darroch, Sky's chief executive, told the Financial Times earlier this year. He wants to bring the technology to the company's other territories, such as Germany and Italy.

In the US, a consensus is emerging about the future of the costly packages of channels, or "bundles", which are distributed and sold by cable and satellite operators. For decades the bundle has generated billions of dollars for media companies but there are signs that consumers are losing patience with having to pay for channels that they may not want. Many have "cut the cord" and cancelled their subscriptions in favour of cheaper, lower cost alternatives such as Netflix.

Such services are built around on-demand programming: viewers watch what they want, when they want. But there is still interest in the more passive experience of watching scheduled TV — "lean-back" viewing — which explains why so many efforts are under way to create cheaper packages of channels to be delivered to viewers digitally.

Hulu, an on-demand streaming service whose owners include 21st Century Fox and Walt Disney, is at work on such a service, as is YouTube, the world's largest video site. Pluto TV, a free internet service that recently raised $30m, is also betting on audience interest in a viewing experience that is delivered digitally but resembles television. "One of the things [TV] has got right is it makes it easy for you to get a broad range of viewing options in one place," Tom Ryan, chief executive, recently told the FT.

This new wave of digital services is part of TV's evolution. The medium is about to turn 70, but there is clearly life in it yet.

Print owners seek safety in numbers

Newspapers

A good summer for news failed to offset the worsening outlook for print advertising, writes *Anna Nicolaou*

Dramatic events this summer such as the UK's referendum vote to leave the EU and Donald Trump's unconventional march on the White House boosted circulations across newspapers, from The Guardian and the New York Times to the Daily Mail .

However, the surge was temporary and the outlook for print advertising has gone from bad to worse. Print newspaper ad spending in the UK, for instance, is set to fall by £135m to £866m this year, even steeper than the £112m drop in 2015, says Enders Analysis. "These are big numbers," says Douglas McCabe, an analyst at Enders. "This is not advertising that is going to come back."

Media owners have already shown some effects of the carnage. Last month Guardian Media Group revealed a full-year operating loss of £69m, which was higher than expected, and said it would cut 250 jobs. Daily Mail and General Trust also said it would make deep cost cuts and vowed to cut 400 jobs due to "challenging" market conditions.

The fillip provided by big news events cannot ultimately save the sector from its structural problems, the main one being a shift by readers — and consequently advertising budgets — from print to online disrupters of traditional media led by Facebook and Google.

The advertising switch from print is "a fact of life that will continue to be a fact of life," says Mark Thompson, chief executive of the New York Times. "It's likely we'll see some moderation [in the declines] but we don't know."

Digital advertising has swung into favour among advertisers, and television has held up well this year, leaving print squeezed. "There was this massive migration first from print to online, and now from online to mobile," says Tim Elkington, of the Internet Advertising Bureau, a UK trade group. "All you have to do is look at the consumer to understand the newspaper numbers."

Newspaper owners have looked to fill the print gap with digital sales, but now they are also losing market share in digital to Facebook and Google, which together account for about 75 per cent of new online ad spending globally.

The brutal declines in ad revenues have prompted some of the UK's biggest newspaper owners, including Telegraph Media Group, Trinity Mirror and News UK, to discuss forming a single advertising sales operation. The aim would be to make it easier for agencies to buy display ad inventory, and thereby compete better with broadcasters and digital media companies.

In the US four leading newspaper publishers — Gannett, Tribune, Hearst and McClatchy — this year created a company called Nucleus Marketing Solutions to sell advertising across their local titles, thereby offering brands a larger potential audience.

Similarly, consolidation of ownership has swept the sector as local print titles look for scale to make themselves more attractive to ad buyers. Gannett, owner of USA Today, is trying to buy Tronc, formerly Tribune Publishing, owner of titles such as the LA Times. "[Gannett] believes they would get a whole new national presence . . . giving them enough big markets that they can swing some bigger advertising deals that they couldn't swing before," says Ken Doctor, of the Newsonomics blog.

Gannett's attempt to buy Tronc is sympomatic of the consolidation under way as local titles look for scale

With advertising dollars surging towards Google and Facebook, "no one expects [print media] to be winning" when competing for advertising expenditure against digital upstarts, says Gabriel Kahn, journalism professor at the University of Southern California. "It's about surviving."

How marketers win battle for cash in age of austerity

Language

Increased complexity is leading marketers and finance directors to share a new vocabulary, writes *Miranda Green*

Chris Winstanley has spent the past decade devising marketing strategies for start-ups, after years of working for household names such as Virgin Atlantic, Starbucks and HSBC. His work, as he admits, "often has objectives that can't be put in a spreadsheet".

"Most of the times that I put in a marketing plan," he says, "the chief executive will ask the question: 'Can we save that money?'"

However, industry experts say the advent of brand-centred businesses that dominate the digital age has helped marketers to justify their contribution. The longstanding culture gap between marketing and finance departments is closing and the increased use of data is forcing them to start speaking the same language.

According to Rita Clifton, former chair of Interbrand, the consultancy, and co-author of *The Future of Brands*, the barriers between the marketers and the finance department were much more substantial in the past. Around 25 years ago, she says, the former were more like a "cabaret act" to the dominant finance department, which "talked in accountancy-speak and knew they held both the purse strings and the corporate power".

But Ms Clifton argues that the past five to 10 years have seen a transformation because branding has become integral to the modern company. "The brand is the alter ego of the business strategy, and it's what provides the long-term value," she says. Although, as she puts it, "in some organisations the marketing people are still seen as just there to do the pictures".

Branding's sustainable boost to the bottom line is the key argument to put to a chief financial officer who is sceptical about the value of marketing, says Alex Clegg, the new UK chief executive of the consultancy Brand Union. While a finance director might view advertising and other forms of external communications as "discretionary spend", he believes there is now an acceptance that the brand is — or should be — "your central organising principle".

When it comes to jargon, marketing reports that describe "the customer journey" and myriad "touchpoints" can be off-putting, says Mr Clegg. But in a digital world that provides plentiful data about consumers to analyse and harness, companies' finance directors cannot ignore the importance of the ways in which his profession analyses perceptions of a company, he says.

"Yes, the language should simplify, but marketing just has become more complicated," he adds, arguing that it is the marketers, their vocabulary now littered with metrics and key performance indicators, who have been subject to a takeover by quantitative analysts.

For one senior international marketing executive, who declines to be named, new software that can track back from sales to the purchaser's previous points of contact with a company has made it easier to justify marketing budgets. These, she says, are constantly under scrutiny from on high, particularly in business-to-business sectors. "You now have a set of tools that helps the rest of the business understand the marketing contribution," she says. "You can extrapolate dollar for dollar, which the CFO likes." The difficulty occurs, she says, when "you cannot prove an effect on buying behaviour" — even though you have learnt that all-important "accountancy-speak".

Helena Andreas, a marketing expert currently working for a Nordic bank, has developed tips for winning some of these internal battles on behalf of strategic marketing, with its broad and less measurable aims, which she says can be harder to sell to finance directors than tactical campaigns, with their quantifiable impact on click-throughs or sales.

"Very few people would argue that having happy customers doesn't improve your results," she points out. She recommends gathering evidence of how competitors or companies facing similar issues have boosted or sustained customer satisfaction over time by managing perceptions of their brands.

Ms Andreas also suggests focusing on how branding affects recruitment, especially in sectors that have intense competition for skilled workers. "If the company has none of the right associations, you won't attract the right people," she says, pointing to the ease with which targeted recruits can be surveyed.

For Mr Winstanley, battling with start-up founders who may have been told by investors to hire in a marketing expert against their own instincts, there are only so many evidence-based arguments you can deploy. Even if most of the marketing budget may be destined for campaigns with a measurable outcome, some benefits remain intangible.

"In a typical plan," he says, "I would put in 70 per cent on tactical spend but on the other 30 per cent I say: 'You've just got to trust me'."

'Everyone is now equally confused'

"Marketing has never been so difficult and never been so interesting," says Professor Patrick Barwise.

The London Business School marketing expert argues that digital innovation has meant an accelerated pace and new complexity, juggling traditional platforms such as TV and market research with constantly changing social media.

The result? "Everyone is now equally confused".

He identifies three gaps that challenge marketing professionals as they relate to the rest of their organisation:

The trust gap: the finance person tends to have spreadsheets about proven results, but the marketing plan is by definition about what might work in the future.

The skills gap: a head of marketing in their 40s has to build a team to handle platforms that did not even exist when they were the age of their recruits.

The reporting gap: in the vast majority of businesses, brand equity is not driven by the marketers — and the marketing department is not responsible for customer experience.

'The language should simplify, but marketing has become more complicated'

Penguins, frogs and the death of creativity

Creatives Some fear technology is killing off human insight, but others welcome change, says *David Bond*

In his damning critique of the modern advertising industry, *Madison Avenue Manslaughter*, the US marketing consultant Michael Farmer warns that a dismal combination of technological change and the short-term drive for profit is killing creativity.

"Agencies and their clients need to recapture some of the respect, fun and profitability of working in what was once one of the most fulfilling and glamorous of industries but has become a grim sweatshop for the people who do the work," he writes.

For any young creative inspired by the lifestyle of ad campaigns and cocktails depicted in the TV series *Mad Men*, the book is a sobering read.

According to this gloomy assessment, campaigns that became cultural events — from the Oxo family to Coca-Cola's bid to "teach the world to sing" or Monty the Penguin in one of John Lewis's TV ads at Christmas — will soon become a thing of the past.

"It used to be that the business was about doing things that were big and famous and mind-blowing. Everybody knew about them. No one knows what we do any more," lamented Jeff Goodby, co-founder of San Francisco-based advertising company Goodby, Silverstein & Partners and creator of some of the Budweiser Frogs ads, in the Wall Street Journal last year.

Technology is reshaping the marketing industry by transforming the ways brands and marketers can target consumers and measure the effectiveness of their messages. Programmatic media buying, where software automates the placement and optimisation of advertising space online, is now common place across the industry. The vast amount of data now available means the advertisers have never known so much about their consumers.

To some, this has created a short-term culture, where the immediacy of digital has shifted the balance from long-term brand building.

Out of the picture: money is being pulled from TV advertising in favour of digital and mobile options
Getty Images

Peter Field, founder of marketing adviser Field Consulting, and author of a study called Selling Creativity Short, says: "The attention and effort that goes into digital is all short term and drives short-term sales. What you do for the short term is the opposite of what you need to do for the long term."

He also argues that technology companies' moves deeper into advertising pose a threat to the traditional creative side of the business. "These are people who are pretty light on emotional intelligence," he says.

"They live in a rational, logical world. But consumer marketing is not a rational, logical world and we allow our emotions to lead these decisions. The insight behind the John Lewis Christmas campaign is a very human one . . . This is humanity, not machines, speaking here."

At the same time as technology is transforming the way media agencies and marketers behave, so disintermediation of the media — in particular paid search and social media — have made it harder to make an impact with a wider audience. The traditional reliance on a 30-second slot on TV has been in retreat for some time as money shifts to online advertising platforms.

A study this year by the Internet Advertising Bureau, the online advertising body, found that two-thirds of marketers planned to spend more on digital and mobile video advertising, and to do so by pulling money from TV.

The question the industry is trying to answer is whether such shifts signal the death of creativity in advertising.

> 'Consumer marketing is not a rational, logical world'
> **Peter Field**

Keith Weed agues that they do not. As Unilever's chief marketing officer, he is responsible for overseeing one of largest advertising budgets in the world. "The role of the chief marketing officer has gone from being a chief macro officer, and wanting to have a relationship with people but doing it on a broadcast basis . . . to being a chief micro officer, understanding individuals in each and every place around the world," he says.

"We need to be able on one side to do things globally — technology loves scale — but we also have to engage with people locally, in the language, in the culture and in real time. The combination of the two is a bit of magic that's brought together by technology."

But it is not only in distribution that technology is offering opportunity. The use of computer-generated imagery in content is now common while many marketing agencies are investing in virtual and augmented reality.

Les Binet, head of effectiveness at adam & eve DDB, the agency behind the John Lewis Christmas ads, points to the campaign for energy group SSE two years ago which featured a computer-generated orang-utan, as an example of how technology is empowering creatives.

"A lot of people were so convinced he was real that there were even complaints about animal cruelty," says Mr Binet. "That advert was a good example of where new technology is dramatically changing the industry for the good."

Michael Karg, chief executive of marketing analytics business Ebiquity, agrees. "Technology is making things better," he says. "If you have real-time insight it helps the creative build much more impactful ideas. Basically it's consumer insight on steroids. Those people in the business who have been relying on gut feeling, they just don't like it."

For now the debate is far from settled. But David Kershaw, chief executive at advertising group M&C Saatchi, points to another factor stifling creativity. Economic and political uncertainty are encouraging profound caution.

"Establishing brand preference in today's fragmented media world is very tough," he says. "It's even more necessary to cut through with something very different and interesting."

Data rules bring obligations as well as opportunities

Personal details

Tighter EU regulations on how information is used will defend consumers' privacy and curb sharp practice, writes *Duncan Robinson*

Your name, your address, your email, your bank details, your internet history, your pictures, your location, your heart rate.

The amount of data that a business can collect has exploded since the EU last changed its data protection rules in 1995 — three years before Google was founded in a garage and when messaging app Snapchat's chief executive Evan Spiegel was a five-year-old.

Regulators have now caught up, or at least attempted to do so. From May 2018, any company based in the EU — or handling the data of EU citizens — must comply with strict new privacy rules contained in its general data protection regulation.

These new rules will dictate how companies can gather and use the troves of digital data that consumers now generate. If they fall foul of the rules, the sanctions are big: companies could be fined up to 4 per cent of global turnover or a maximum of €20m, whichever is bigger, for significant breaches.

While a big company could potentially absorb such a blow, lower margin retailers or marketing groups who suck in huge amounts of customer data would struggle to do so. Compliance is no longer just a headache, but a fundamental threat to a business's bottom line.

"The most important thing is the consumer opt-in on consent," says Paul Jordan, European managing director at the International Association of Privacy Professionals (IAPP), which helps companies comply with data protection rules. "Without consent, the data are unusable."

The new rules represent a significant tightening: consent must now be "unambiguous", for instance. What this means exactly will be clarified by data protection authorities across the EU between now and May 2018.

Until then, it is safe to assume that some of the sharper practices used by some in the marketing industry — whether pre-ticked tick-boxes, or consent forms laden with quadruple negatives — will become a thing of the past, says Mr Jordan.

Likewise, the rules make clear that consent cannot be coerced — for instance, by demanding that people hand over personal details in order to gain access to a service. "It needs to be shown that [they have] been freely given," says Alexander Whalen, who works for Digital Europe, a lobbying group for the technology industry.

Consent must be as easy to withdraw as it was to give. Plus, consumers will now enjoy the right to have their data erased. Finally, consent once given is not a carte blanche. Data gathered for one purpose in one part of a business cannot be used willy-nilly by another division, points out the IAPP.

> 'It needs to be shown that personal details have been freely given'

Companies should prepare to update their privacy policies. Consumers will now have clearer rights to know exactly how their data are processed.

By the time it comes into force, the new law will have been discussed for six years, which is a snail-like pace of progress even by the often slow-moving standards of Brussels. "Even though we have been working on this new law for years and years, it introduces new concepts and new dimensions to existing concept," says Eduardo Ustaran, who specialises in data protection at law firm Hogan Lovells. "We now need to interpret them from scratch."

This leaves companies with a lot of hoops to jump through, far beyond just updating their disclaimers. Mr Ustaran estimates that most companies will have to take at least dozens of steps to comply with the new rules.

"I am not joking," he says, based on work done to help prepare companies for the changes. "It is rare when we do not come up with a list of at least 40 actions." These range from rewriting privacy policies to appointing data protection officers and revising contracts with any companies that process data on their behalf. "The GDPR[general data protection regulation] is very prescriptive," says Mr Ustaran.

Businesses face needing to renew old databases. Unless a database was compiled with rock-solid consent from participants, companies should expect to go back to their customers to ask them to reaffirm their permission.

Some marketing companies can expect a rougher ride from regulators than others, with direct marketers likely to be the hardest hit. Purveyors of mailshots and spam email can expect national regulators to charge at them with souped-up powers if they step out of line.

"You will see a substantial increase of the enforcement around direct marketing," says Mr Ustaran. "It is very visible: marketing calls, emails. It is not the most serious type of breach, but it is widespread and it is annoying."

Exploiting the reams of data now available for business to pore over will demand added care and attention. To benefit from the opportunities provided by data, companies will have to put up with the obligations.

Storytelling rules when brands woo consumers

Content marketing The lines are blurring between ads and journalism, writes *Matthew Garrahan*

Digital display advertising, on which internet publishers once pinned their hopes, is in the doldrums. It is increasingly ignored by consumers or not even seen thanks to ad blocking software.

But a potential saviour has emerged in the form of content marketing — video or text campaigns that are owned by brands and distributed over different digital channels. These might include a publisher's website, such as the New York Times, or social networks, such as Instagram or Twitter.

Publishers that have invested in content marketing and begun producing campaigns for brands are starting to reap the rewards. The New York Times launched its T Brand Studio in 2013 and won its first client, Dell, at the start of 2014. It outsourced the creative work on the campaign to an outside agency but quickly realised it would be better served producing its content in-house with the aim of echoing the newspaper's editorial voice and style.

The studio hired journalists, designers and editors "to at least attempt to produce work at the quality of our news work", says Sebastian Tomich, the NYT's senior vice-president of advertising and innovation. A campaign for Netflix put the fledgling studio on the map when it created a piece to coincide with a new series of *Orange is the New Black*.

"We scrapped the brief and sent out three journalists to do some reporting on the women's prison system," says Mr Tomich. Closely resembling a piece of New York Times editorial with an accompanying video, the project showed prospective clients what was possible, he adds.

By the end of its first year, T Brand had 30 clients; this year it will have 200, serviced by a staff of 110 in the US, UK and Asia. "Brands are now approaching us as a media agency," says Mr Tomich.

Vox Media, the digital media company that owns websites such as Recode, Eater and The Verge, also produces custom content for brands. Clients include Campbell Soup, Cisco and Russell Athletic.

Lindsay Nelson, global head of brand strategy at Vox, says the company produces marketing campaigns that are specific to the needs of different digital distribution channels. A branded campaign that works on Facebook may not work as well on Snapchat, where users tend to watch shorter videos.

"As content is consumed in such a distributed way and there are so many nuances between platforms, people have started to think about [online marketing] in the same way that television programmers would think about their schedules," she says.

A television show that works in the morning will not work in the evening: the same is true in content marketing, she adds. "We want to help marketers think like programmers and operate like a media company, which goes beyond simply making content together."

Sebastian Tomich: the New York Times invested in content marketing — Getty Images

The rise of content marketing comes as digital display advertising looks set to go into a steep decline. The fall will outstrip drops in newspaper and magazine advertising combined, according to a recent report from Zenith, the media agency owned by Publicis. Zenith expects worldwide desktop ad spending to fall by $10.7bn to $88bn by 2018.

No global figures are available for spending on content marketing but anecdotally it is growing fast. The NYT's T Brand Studio generated $13m in sales in its first year, $35m by the second, and will healthily exceed that figure in 2016.

Content marketing is also evolving. Condé Nast, publisher of magazines such as Vogue and GQ, recently flipped it on its head with the launch last month of Style.com, an e-commerce site that plugs into its portfolio of titles. This way content produced by the publishing group can directly drive sales.

Content can help brands forge relationships with customers, says Christopher Vollmer, global entertainment and media advisory leader for PwC's Strategy& consultancy. He points to brands such as Dollar Shave Club, the online shaving brand that sells razors on a subscription basis, which this year was acquired by Unilever for $1bn.

"There's convergence going on between advertising and e-commerce," he says. Brands such as Dollar Shave Club can be used to directly sell other products to its customer too, he says. "Unilever could invest in content to sell other things that help the brand over time — and then it won't need to spend as much advertising," he says.

Advertising may be in a period of great flux but content continues to be king — for now, at least.

The important word in 'social media' is not 'media'

OPINION

Ian Leslie

Social media once appeared to promise a radically different way to do marketing. First, marketers would be able to communicate, or "engage", with consumers in a much more intimate way than previously. Instead of the shout-out of a TV ad, brands could have conversations with the people who bought them.

Second, brand owners would be able to cut media costs, because instead of spending millions on airtime, they would rely on consumers to do the work of spreading their messages for them. Ad agencies were instructed to create "viral" content so compelling it would ricochet through social networks propelled only by "likes" and retweets.

But as it turned out, consumers were not chomping at the bit to spend quality time with brands. They were more interested in watching their sister's baby take his first steps. And as Facebook and Instagram moved into paid advertising, what seemed to be free distribution platforms turned out to be more places to buy ads.

Agencies discovered that, without the rocket fuel of paid media, even the cleverest film languishes in obscurity. Karen Nelson-Field, professor of media innovation at the University of Adelaide, performed a study of online video sharing. She calculated the average share rate on videos is 24:1 — in other words, 24 people view a video before a single share is generated.

Prof Nelson-Field did find some videos are more likely to be shared than others. But overall she found a video's content matters much less than its distribution. Start with 1m guaranteed views, and you will garner plenty of shares, even at a 24:1 ratio. Start with none, and it is likely only your immediate family will see your creation, no matter how brilliant.

If advertisers' expectations of social media were unrealistic that is because too many regard advertising primarily as a way of transmitting messages, when in fact what really makes it valuable is its ability to make and keep a brand culturally salient.

Marketing follows what might be called the "Woody Allen rule", after the movie director's assertion that 80 per cent of success is showing up. Brands succeed when they keep themselves alive in the minds of as many people as possible. The marketing scientist Byron Sharp calls this "mental availability". A consumer reaching for a brand of coffee is more likely to grab the one she knows, even if it is inferior to one she does not.

The most reliable route to mental availability is what I call "cultural availability". Nike is a brand that we all participate in even if we do not own its products. A simple test of this is how easily, and in how many ways, you can imagine using it in a conversation with a stranger. You may not buy Nike products, but because it is a social currency, Nike will probably be on your shortlist if you ever shop for sportswear. You are also more likely to pass on a video from a brand you know.

Marketing follows what might be called the 'Woody Allen rule' that 80 per cent of success is showing up

For most brands, paid advertising is an essential component of achieving cultural availability. Since consumers spend so much time on social media, brands must be there. But social media, as advertisers are belatedly realising, is best regarded as a way of injecting a brand into more conversations, more of the time. The most important word in the phrase "social media" is not "media".

The writer is an advertising strategist and author of 'Curious: The Desire to Know and Why Your Future Depends on It'

Squeezed budgets put focus on measuring value for money

Measurement

The industry must rethink how digital data are assessed if marketers are to trust where and how they allocate funds, writes *David Bond*

In 2007, Facebook chief executive Mark Zuckerberg predicted that trust would be the basis for marketing to consumers in the future.

"As people share more, they have access to more opinions from the people they trust about the products and services they use. This makes it easier to discover the best products and improve the quality and efficiency of their lives," he declared as the technology company launched its initial public offering.

Nine years on, Facebook has become one of two dominant forces in new media. According to a recent study from Kleiner Perkins Caufield & Byers, the US venture capital fund, Facebook and fellow tech group Google now receive 75 per cent of all new spending on online advertising.

Ad industry executives initially expected the explosion in digital marketing to transform the way media agencies and brands measure the effectiveness of their advertising campaigns. A wealth of new data would allow them to get closer to customers and to improve accuracy of measurement. Instead it has raised more questions for an industry grappling with the structural shift away from traditional media such as TV, radio and newspapers.

In September, Facebook apologised after admitting it had wrongly calculated viewing times for its online videos, which led to renewed calls for the company, which has 1.6bn users, to change the way it measures advertising data. Until recently, Facebook had counted only video views of more than three seconds when it calculated its "average duration of video viewed".

The Facebook controversy followed an investigation into online ad fraud in the US by the Association of National Advertisers, a US trade body. More recently, in Japan the dominant advertising agency Dentsu apologised for overcharging the car company Toyota for online advertising.

Sir Martin Sorrell, chief executive of the world's biggest advertising group, WPP, summed up the mood among media buyers in August when he called for better measurement "not just offline but online too". He added: "The answer is not Facebook or Google data, we can't have the players being the referees. There has to be independence in terms of measurement."

Watching brief: Facebook has apologised for miscalculating video views — Reuters

Facebook says it will give marketers more choices on measuring effectiveness by offering third-party video verification options with companies such as Nielsen, the US media researcher.

According to the research firm eMarketer, online advertising will this year surpass TV to take the biggest proportion of the $600bn spent across the global industry in total each year.

Some industry commentators argue that the dominance of digital advertising has only underlined the need for a deep rethink on the way online data are measured if they are to help marketers work out best value for money.

'What do people think they are getting when they buy a digital slot?'

Bob Hoffman, The Ad Contrarian blogger, recently lamented: "The online advertising industry is drowning in data, but has generated almost no useful facts or principles. The encyclopedia of things we don't know about online advertising since we started collecting 'big data' is comical."

For chief marketing officers, the uncertainty is another challenge at a time when global and political instability is already putting a squeeze on budgets.

Peter Field, a UK marketing consultant, says there is a disconnect between the standards people expect from digital and traditional media.

"The big question is what do people think they are getting when they buy a digital slot?" he says. "With TV or the press there are oversight bodies and legal frameworks which measure and give executives a clear picture. Suddenly marketers are prepared to throw away all that learning they have built up over decades."

A growing band of tech companies is, though, offering new ways of measuring the impact of campaigns.

For instance, research firm Kantar Millward Brown, owned by WPP, uses techniques such as brain scanning and face tracking to assess human reaction to brands and advertising content. However, they are part of a mix of tools the company provides, points out Louise Ainsworth, its UK chief executive.

The power of digital advertising means marketing officers and agencies should take an integrated approach to how they spend their budgets, she says. "With any kind of measurement there are pros and cons — and digital measurement is particularly complex."

Mark Ritson, a business school academic and branding consultant, is more forthright: "More than half of all UK advertising spend now goes into digital. [A majority] of that half goes to Google and Facebook. And these two companies are making it up as they go along."

Persuaders try to convince consumers on ads

Ad blockers

Technology that stops advertising appearing on web pages has soared in popularity, writes *Hannah Kuchler*

Down with pop-ups: the ad format is cited as particularly irritating FT

It was young men shutting themselves away to play video games and watch sports online who started a trend that publishers, advertising agencies and now brands are struggling to ignore.

These sports and gaming fans, typically aged between 18 and 24, were early adopters of ad blockers — technology that stops web pages displaying adverts. They downloaded ad blocking software in frustration when their viewing or gaming was disrupted by the flash, crackle and pop of aggressive online ads.

But now ad blockers, such as such as Ad BlockPlus and uBlock, have soared in popularity. A YouGov poll, published in March 2016, found that 22 per cent of UK online adults used the controversial software, up from 18 per cent just six months before. In the US, the world's largest advertising market, ad blocking is expected to jump by more than a third this year, to a quarter of internet users, according to forecasts from research firm eMarketer.

Johnny Ryan was chief innovation officer at the Irish Times before joining PageFair, a Dublin-based company selling advertising that cannot be blocked by the software. He says publishers have been conscious of the problem of rising adoption of ad blockers for a while, but now advertising agencies and brands are realising it could hurt them too.

"In the past 12 months, the fact that this is an important issue has become undeniable, a huge change," he says.

PageFair spotted the problem coming because its founders had previously worked as publishers of online games, and were therefore some of the first to experience ad blocking. In 2013, Mr Ryan says, PageFair seemed like a Cassandra warning that winter was coming to the online advertising industry.

Now, online advertising bodies from the Internet Advertising Bureau to the new Coalition for Better Ads — which includes digital publishers of advertising Google and Facebook and big brands Procter & Gamble and Unilever — are looking to stop users turning to ad blockers by making advertising more amenable.

A YouGov survey in the US showed that the main reason people use ad blockers is because they are annoyed by adverts or find them intrusive, followed by people who are concerned about the online security of ads. Just 5 per cent say they are avoiding buying something they do not need.

Guy Phillipson, chief executive of the UK's IAB, says it is focusing on creating standard formats that are less invasive and load faster. The organisation's Tech Lab has launched a programme of "lean" ad principles, advocating that digital adverts should be light, encrypted, support a user's decision to choose what ads they see, and be non-invasive.

"We can get to loading in a 20th of a second on the best ads," he says. Some ad formats are a "complete no-no" in terms of intrusion and taking up consumers' bandwidth, he adds, citing pop-ups and overlays in particular. "What we've got to do is make sure the ad experience is a good one so no one is provoked to install an ad blocker."

The Coalition for Better Ads was launched in September at the DMexco digital marketing conference in Germany, to do similar work on a global front.

Venable, the US law firm, helps organise the coalition's publishers, technology companies and major brand advertisers. Stu Ingis, an attorney with the firm, says the digital world has "morphed very fast" and it is time to talk about making the experience of digital ads better.

"Ad blocking is certainly one of the symptoms we've seen in the marketplace that meant the dialogue should happen," he says.

The coalition is planning research into how consumers truly interact with online advertising, rather than what they report they do. It will use the results to draw up standards on how much bandwidth an advertisement can take up, how many adverts should be shown and how much repetition of ads is acceptable before consumers begin to resent them.

> 'We've got to make sure the ad experience is a good one so no one is provoked to install an ad blocker'

If making ads nicer is the carrot to stop people downloading ad blockers in future, publishers are also starting to wield a stick against existing ad blocker users. Many are experimenting with ways to plead with users to disable their ad blocking software or "white list" a particular site, allowing ad blockers to accept seeing advertising on this site, or removing the viewers' access to content altogether until they disable their ad blocker.

The website of the UK daily business free sheet City AM was one of the first to get tough with its readers, when it told users of ad blockers: "The journalism on City AM is funded by advertising, but this business model is threatened by the use of ad blockers."

Mr Phillipson says premium publishers are persuading 25 to 40 per cent of people to abandon ad blockers in order to view their content.

"It started off on an experimental basis with media owners like City AM taking a heavy stance. But now Trinity Mirror and Axel Springer are doing it and there has been a big initiative in France with publishers communicating with readers about ad blockers for a whole month," he says.

Even if such measures do not work, advertisers may have a second chance as new mediums and devices evolve where ad blockers do not work.

Mr Ingis says publishers and marketers need to win back ad blocker users "one at a time". But the problem could ease with the roll out of a "new chapter" in technology, such as over-the-top devices that provide video to TVs without cable subscriptions, and smart TVs. The Coalition for Better Ads is developing advertising standards for these devices too.

"It will be a dialogue so long as the technology continues to evolve and change," he says. "It should collectively result in an improved experience."

A day in the life of a new breed of marketing expert

Work diary Michael Horn, Huge

The head of data science at a digital design agency describes a typical 24 hours to *Sarah Shearman*

A new generation of data experts is making deeper incursions into the world of advertising, thanks to the opportunities they offer for transforming reams of data into useful insights about human behaviour and creative ideas.

Michael Horn is managing director of data science at Huge. The digital design and marketing agency is headquartered in New York, owned by advertising network IPG, and has 14 offices globally. Clients include Nike, Google and the US government.

Michael Horn: looks for hacker spirit

6.30am
When I wake up I immediately catch up on the news. I live in Hoboken in New Jersey, so take two ferries to Huge's office in Dumbo, a neighbourhood in Brooklyn. It takes about 40 minutes and is a beautiful commute; you can really get a sense of the scale of New York. I usually have 12 to 15 meetings a day so I use this time to resolve any double or triple bookings.

8.45am
When I get to the office I respond to an overnight request from our Singapore office for case studies showing the impact of digital displays and mobile apps for sales assistants in stores. Then I have a meeting with my client [video streaming service] Hulu's research team. Often our clients need to know how they can obtain new data on their customers and their competitors' customers.

9.30am
Next, I have a one-on-one with our vice-president of search optimisation to discuss a machine-learning product for a telecom client.

Then I chat with our head of business strategy about partnering with a major university's artificial intelligence programme.

AI is a hot topic at the moment. All our clients are figuring out how their content or marketing their products will be affected by various AI agents — such as Siri, Alexa and Facebook Messenger — or whether to build their own AI agents.

11am
A big part of my role is recruitment, so I review résumés and interview prospective candidates online. There is a huge demand for skills. Data analysts in marketing do not necessarily need a background in computer science — it could be in economics, sociology or psychology.

I look for people who enjoy complexity and have the hacker spirit, people who like solving problems in a fairly improvisational kind of way.

Noon
Before lunch I take a junior analyst out for coffee to discuss careers and growth.

> Data analysts in marketing do not necessarily need a background in computer sciences

At Huge, we prefer having an office in Dumbo rather than Madison Avenue, where people think of agency offices as being. Dumbo is more convenient for most people we hire and Brooklyn is where you build stuff, which is very much our culture here.

1.30pm
There is usually some free food in the kitchen so I grab some and work through lunch on a presentation for a conference. I spend more of my time on presentations than doing data analysis these days. Our head of research asks if I can swing by to greet a client.

2.30pm
In the afternoon my team and I plan our agency hackathon. We will give people in all our offices data sets and business challenges to solve and they get into teams and see what they can build.

A big part of my job is educating my colleagues about new technologies. Instead of having people sit through seminars and talks, a hackathon gives them the chance to have that hands-on experience — particularly for creatives and strategists, who might not have had that opportunity before.

You can better appreciate these technologies by hacking around with them.

5pm
I take a break to read updates on my children's school day and piano lessons, before heading off to catch a flight to San Francisco, working in the Uber [car ride] on the way.

Huge has an office in Oakland and we have technology clients in the Bay Area. We recently built a website to help designers implement Google's universal design language Material Design. I have a team of about 35 in Brooklyn and 70 globally, so I regularly travel between offices, often for new business meetings or to make hires.

7pm
On the flight I work, and catch up on the news and emails when I land. A lot of my job is making sure I've got the right people assigned to different projects, so I make a few staffing changes.

11pm Pacific Time
Having gone straight to my hotel, I collapse for the day — ready to start with my 8am client meeting the next day.

Case Studies Effectiveness in advertising

Sarah Shearman on three shortlisted entries in the Institute of Practitioners in Advertising's 2016 awards

Creativity and return on marketing investment — its "effectiveness" —once seemed more or less incomparable. But in ad agencies now, planning departments work much more closely with creative departments. Amid economic uncertainty there is greater impetus to show how well a big creative idea is working. The IPA's ranking of these three ads for their effectiveness will be revealed on November 2.

Harvey Keitel reprising his Mr Wolf role for Direct Line

Having a setback? Call up the 'Pulp Fiction' fixer

Client Direct Line
Agency Saatchi & Saatchi

The problem
In 1985 Direct Line shook up the UK insurance market by allowing people to buy policies directly over the phone. Two decades later, the market was on the verge of another transformation with the advent of online price comparison sites.

Direct Line, known for a trusty red telephone on wheels in its advertising, struggled to compete with these internet upstarts. In 2005 Direct Line received more traffic from internet search engines than the top five price comparison sites combined. Two years later, Moneysupermarket alone had overtaken Direct Line, whose quotes and sales steadily declined as comparison sites commoditised insurance products. It was also losing ground to other direct insurers.

"Most of the [marketing] communications in the sector were talking about price and it really devalued the product and the valuable role insurance plays," says Kerry Chilvers, brand director at Direct Line. "Our brand had been more or less forgotten. We had become one of a pack from a consumer point of view."

The strategy
As part of cost-cutting measures following its 2012 public listing , Direct Line cut its marketing spend from £71m in 2011 to £38m in 2015. It needed a strategy for doing more with less.

The group decided to target busy consumers who saw insurance as a way to help make life more convenient. Direct Line positioned itself as a "fixer", a hassle-free insurance provider, and hired Saatchi & Saatchi as its new advertising agency in 2014 to build a campaign around this idea.

The campaign
Saatchi & Saatchi suggested hiring the Hollywood actor Harvey Keitel to reprise the Winston Wolf character, a "fixer" that he played in the film *Pulp Fiction*. The agency reasoned that Wolf is the sort of character people would want to call on in an emergency: that is, someone who can be relied on to fix a mess. The first ad, which aired on TV in August 2014 during the prime time show *The X Factor*, featured Mr Wolf helping a couple whose house had been burgled, and used humour to offset the sinister associations. It introduced the strapline: "We're on it." As well as TV, the ad ran across print, digital and cinema. Several more ads featuring Mr Wolf followed.

Direct Line overhauled its call centres and website and developed several new offers such as guaranteeing to repair cars within seven days, or paying £10 a day if took longer.

The outcome
By February 2016, Direct Line had experienced 10 per cent growth in car insurance quotes over 12 months. According to Ebiquity, a marketing analytics company, Direct Line achieved a return on investment of £1.22 overall for every £1 spent. This broke down into £1.42 for car insurance and £0.97 for home insurance.

The objective of the campaign was not just to reverse the decline in sales. Direct Line wanted to improve its image. Data provided by research company Hall & Partners showed that the majority of Direct Line's brand metrics — such as brand integrity, customer care and likeability — showed improvement in the six months after the campaign's launch.

In 2015, Harvard Business Review ranked Direct Line as the most empathetic brand on Twitter because of the way it handled customer queries.

Why it worked
Price comparison sites are fiercely competitive and spend a huge amount of money on TV advertising. With a shrinking ad budget, Direct Line knew that it could not compete on this front. It also understood thatit needed to overhaul its business in order to deliver on the promises made in its marketing.

Internet upstarts have toppled several established businesses across many industries. But Ms Chilvers says that Direct Line has proved that even in a rapidly evolving business climate, long-established marketing values still have weight: "You have to understand the consumer, what their core needs are and go out and deliver that."

Friendship and sapeurs provide a stout defence

In 'Basketball', the ad reveals that only one player is disabled

Client Diageo
Agency AMV BBDO

The problem
For decades Guinness built its reputation on producing a drink best enjoyed in pubs. Its branding became synonymous with beer mats and trays, featuring its iconic black stout with a creamy white head poured in a pint glass. So when the global economic crisis accelerated the closure of thousands of pubs in two of its core markets, Ireland and the UK, the company knew trouble was coming.

Beer revenues in the UK fell from £17.7bn in 2006 to £15.5bn in 2011, according to market research company Mintel. Stout had the steepest decline within the category, losing a quarter of its volume sales over this period, according to Mintel. Pubs began offering cheaper beer options, undercutting Guinness on price. Also, because it is positioned as a more sophisticated beer, Guinness faced a threat from craft beer, which was growing in popularity.

The strategy
Guinness, whose stout is sold in 60 markets, decided that a single global marketing strategy would be more efficient. "Generally speaking, given the global recession, there was a desire to create economies of scale," says Rory Gallery, outgoing strategic director at AMV BBDO, the ad agency behind the resulting "Made of More" campaign. Research showed the typical Guinness drinker is aspirational and independently-minded. The marketing team decided to reposition Guinness as a "bold" beer for those who make bold choices in life. This formed the basis of the "Made of More" campaign.

The campaign
In 2012, Guinness aired the TV ad "Cloud", followed by "Clock" in 2013. But consumers were confused about the "Made of More" message. Its next ad focused on the beer's dark colour and how creamy bubbles "surge" to the top: the ad, dubbed "Surge", depicted the stout as an ocean wave and fared better.

But the real turning point in the campaign came when human characters were introduced. In 2013, Guinness rolled out its "Basketball" TV ad, which showed a group of friends playing wheelchair basketball. The ad reveals that only one is disabled; the others are playing in a wheelchair out of friendship. This was followed by a 90-second TV ad and online documentary called "Sapeurs", featuring a group of ordinary men in Congo-Brazzaville who become elegant dandies by night.

> 'It becomes an iterative process, rather than working on one strategy and changing if it doesn't work'

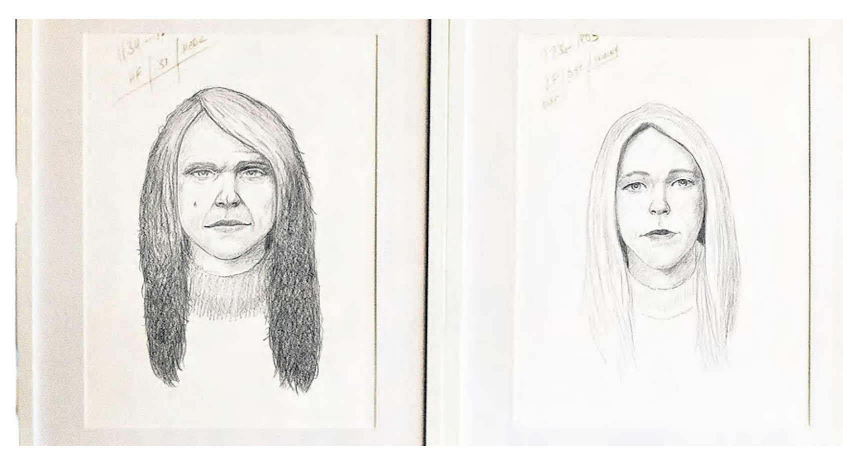
Both ads won awards, attracted millions of views online and plenty of press coverage. Humans were also the focus of ads for Guinness's Rugby World Cup sponsorship in 2015, which included four films showing the patriotism of rugby fans in England, Ireland, Wales and Scotland.

The outcome
Since the launch of "Made of More", Guinness has spent £35.6m on the campaign in UK and Ireland. The total retail revenue — money taken at the tills in pubs and bars — across both markets during the period of the campaign was £708m, implying a revenue return on investment [ROI] of £19.90 for every £1 spent, with a total gross profit ROI of £3.88, according to advertising measurement company Data2Decision. This makes "Made of More" the most profitable beer campaign in the Institute of Practitioners in Advertising's history of evaluating effectiveness with awards, above the category average of £2.33.

Why it worked
In an industry where the average chief marketing officer's tenure is short, and there is pressure to prove a return on investment, following through on an expensive creatively-led strategy, rather than scrapping it at the first sign of trouble, is increasingly rare. Sticking with "Made of More" and developing it paid off in the long term.

Andrew Geoghegan, global head of consumer planning at Diageo, who worked on the campaign, says: "If you've got a good theory, you have to translate that into creative work that people will see and enjoy. It becomes an iterative process, rather than working on one strategy and changing if it doesn't work."

FBI forensic artist makes a pencil point about looks



The 'Sketches' drawings developed the 'real beauty' theme

Client Unilever
Agency Ogilvy & Mather

The problem
When Dove launched its "Real Beauty" campaign in 2004, it was one of just a few businesses pushing against infeasible beauty standards depicted in the media. But over the next decade, reality TV, social media and the craze for selfies meant that "real women" — not models or actresses — became more visible in mainstream media. Dove's idea of using real women, whose images had not been Photoshopped, in its advertising no longer seemed original. The beauty brand had also been accused of hypocrisy when railing against an industry of which it was very much part.

It was time to shake up "Real Beauty". But in an increasingly crowded sector, marketing products so that they stood out on retailers' shelves was becoming harder, especially with the rise of store brands. Dove was struggling to distinguish itself from the competition.

The strategy
Dove decided to create a new campaign depicting how women's perceptions about their looks may be too harsh. Alongside this campaign, which focused on the brand, Dove would run smaller campaigns to promote various beauty products. "The idea was to appeal to the heart and head," says Marie Maurer, planning director at Ogilvy & Mather London, the agency that creates Dove's advertising.

The campaign
In 2013 Dove launched "Sketches", an online video featuring a forensic artist who makes sketches of suspects for the US Federal Bureau of Investigation.

The video showed him sketching women without seeing them, based on what they say they look like and then on how a stranger described them. The sketches based on the stranger's description were more accurate and more attractive.

The next year, Dove launched another video, "Patches". This showed women wearing something resembling a nicotine patch, which they were told would improve their self-esteem, and turned out to be a placebo.

A third video, "Choose Beautiful", encouraged women to acknowledge on social media that they are beautiful. The videos had substantial PR and social media campaigns behind them.

During this period, Dove aired several TV ads to promote various products. It chose not to air the self-esteem videos on TV, however. "The idea was so women could discover it and share it among themselves," says Ms Maurer.

The outcome
When "Sketches" launched in 2013, it became the most viewed ad online at that time, with more than 170m views across global channels. The "Choose Beautiful" video prompted 3.7m women to visit a Tumblr site. While the ads attracted millions of views, however, they were also criticised and inspired dozens of spoofs. "Patches" in particular was seen as portraying women as easily duped by a marketing ruse.

"Sketches" and "Patches" delivered $4.42 in profit for every $1 spent in the US, according to Data2Decisions, the analytics company.

Why it worked
In recent years, there has been a big trend in advertising to promote social causes, such as workers' rights, environmental issues or, in Dove's case, problems of body image.

The idea behind this development is to attract consumers who, increasingly, are ethically conscious. However, the industry often struggles to prove that "purpose marketing" does boost profits.

"We are quite an emotion-led industry, and a lot of the things we do [are] intuitive," says Ms Maurer. "We proved that having a social purpose pays back, not just in the long term, but in the short term."

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