

BALANCING THE BRAND SCALES

Fame vs Relevance



About DIMENSION

DIMENSION is our latest thinking on some of the biggest communication planning, buying and measurement issues faced by the industry. This year, it seeks to understand how brands, media owners and agencies alike can win in the age of authenticity.

Uniquely, the study reflects the response and attitudes from twin perspectives: those of the industry's practitioners and those of the consumers they are trying to reach.

Now in its third year, the findings send a strong message that the recurring issues haven't gone away, and the imperfect balance our industry finds itself in remains.

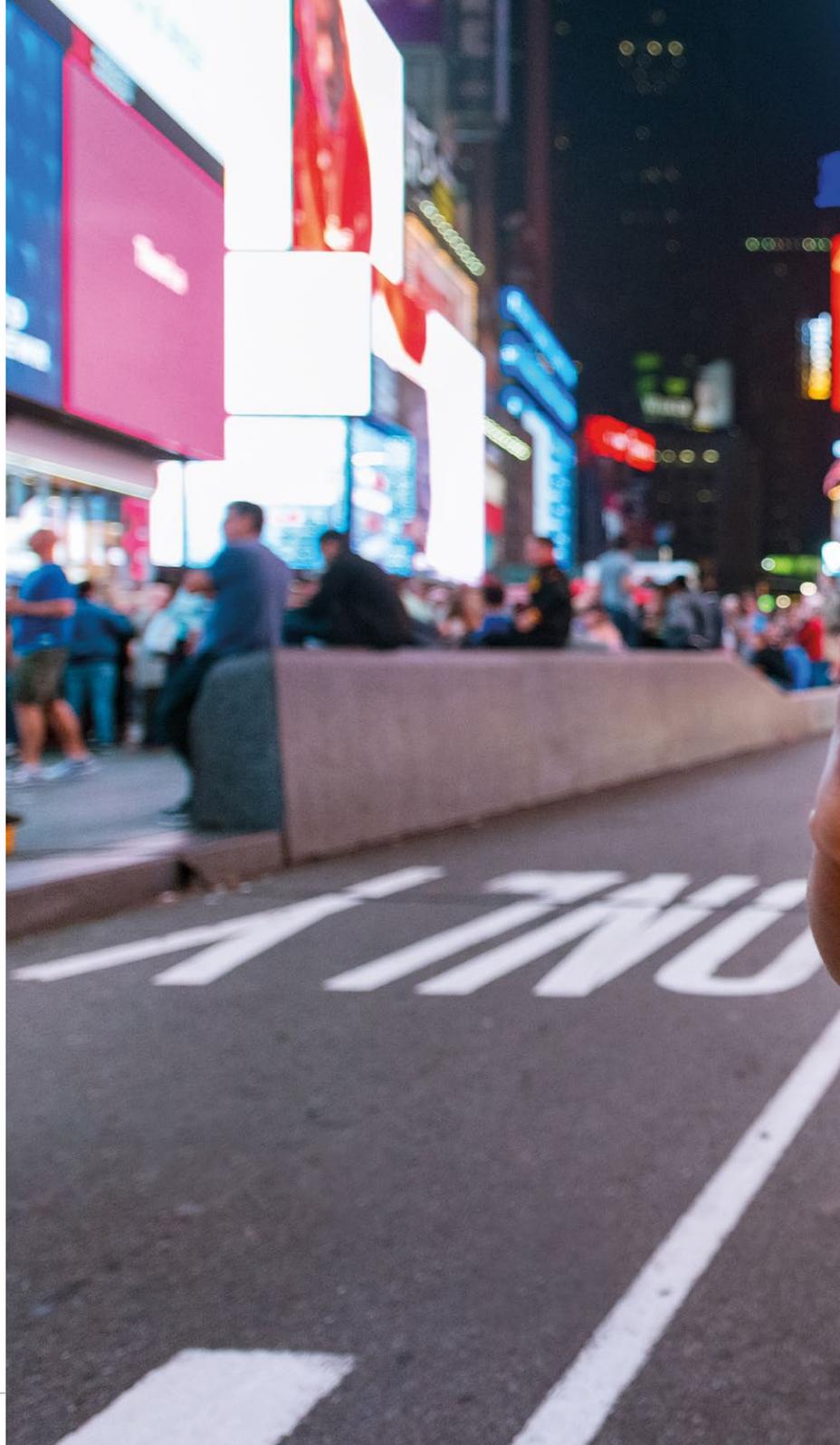
About the research

We interviewed 5,000 connected consumers across five of the world's largest communication markets (Brazil, China, France, UK and the US - 1,000 consumers in each).

Connected consumers are defined as those 18 years+ who use at least two of the following devices connected to the internet: PC, laptop, smart TV, smart speaker/voice-activated device, personal tablet or smartphone. We selected this sample as we believe it to be of the greatest interest and relevance to brands. The data produced is not, though, comparable with any data gathered from a sample designed to be representative of a total adult population.

Consumer interviews were conducted online using the CAWI technique between 9-24 October 2018. All numbers quoted in this report are based on this sample unless otherwise stated. A full fieldwork report, complete with methodology and country data, is available from www.kantar.com/dimension.

We also interviewed 58 industry practitioners to elicit their opinions and perspectives in the same five markets. These included senior figures from brands, agencies, media and platform owners, trade bodies, consultants and adtech businesses, and were conducted with a series of roundtable discussions or in-depth 1:1 interviews moderated by a Kantar employee. Where quotes from these roundtables and interviews have been attributed, they have been approved for use by the individual concerned.





BRAND FAME vs BRAND RELEVANCE

Brand building – via advertising, PR and sponsorships – has always involved a mix of the rational and the emotional. But with online promotion making the shopping experience faster and more convenient, rationality has been amplified over emotion – both in message content and delivery.

Marketers have the tools to be precise in terms of the who, the when and the where.

This report explores how connected consumers really feel about advertising and the many communication channels used to reach them.

We also look at micro-targeted marketing (brand relevance) versus mass marketing (brand fame). It's not a question of simply choosing one approach over the other. But neither is there a single perfect ratio of the two.

We aim to throw some light on the imperfect balance between fame and relevance in targeting, and help guide marketers on the right balance for them.

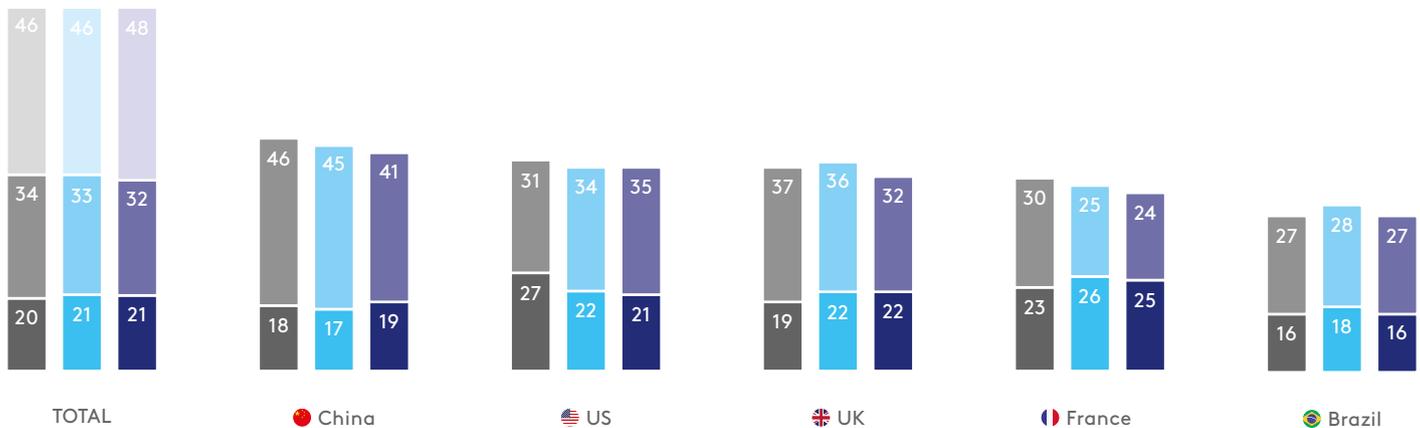
AD BLOCKING: HERE TO STAY, BUT NOT GROWING

The evidence suggests the all-encompassing ad blocker phenomenon has peaked.

The proportion of connected consumers claiming to always use ad blockers has remained steady over the last three studies at 21%. 'Sometimes' blockers have even dropped one point to 32%.

Consumers use of ad blockers in %

2017 2018 2019



In **China**, 60% of consumers sometimes or always use an ad blocker. It's becoming common practice in this market to sell premium ad-free services though – something we believe is seen by consumers to qualify as ad blocking.

Ad blocking is less prevalent in **Brazil**.

Base: 5,000 connected consumers (1,000 per market). Source: Kantar DIMENSION study.

But there's a new challenge

Ad blocking may have reached its zenith, but attention now turns to a newer trend. Consumers are increasingly adopting solutions where they can cherry-pick the services and platforms on which they will tolerate ads in return for free access.



Kirk Olson

*SVP, Managing Director,
Entertainment &
TrendSights,
Horizon Media, USA*

Ad avoidance is not that big a factor. What's changed is the abundance of premium content in subscription services. And consumers want that choice.



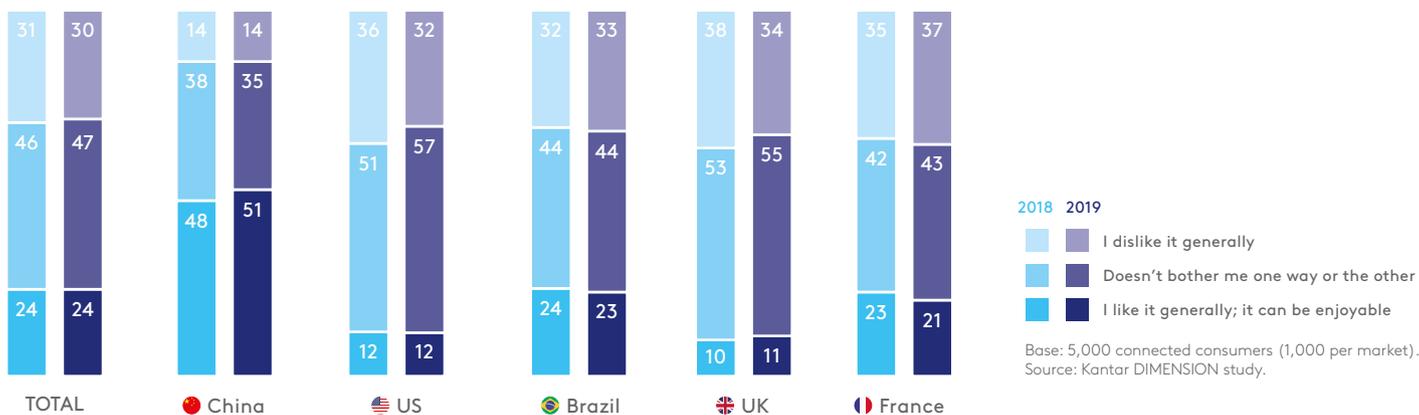
DO CONSUMERS LIKE ADVERTISING?

The threat to advertisers posed by ad-blocking services arguably depends on how much consumers like or dislike the advertising they're exposed to.

Consumer apathy reigns

Collectively, consumer attitudes to advertising haven't changed significantly across the five focus markets since last year's study. Connected consumers remain apathetic, with just under half neither liking nor disliking advertising.

Consumers attitudes to advertising in %



'We love advertising!'

Advertising is twice as popular in China than the other focus markets.

'It doesn't bother me.'

Most consumers in the other four markets (over half in the UK and US) are apathetic about advertising.

Only just over 10% in the UK and US say they generally like ads, and that ads can be enjoyable.

Over time, we have seen focus in marketing shift towards using data to drive precision targeting – and away from the power of creative ideas.



There is time for creativity, which has been reduced, and time for data, which has exploded. We need to find a good balance again. We must figure out how to re-establish creativity and emotion.

Gautier Picquet
COO Publicis France & CEO Publicis Media

Where do consumers most enjoy ads ?

I don't think there's any such thing as one measure of what is good creative, what is performance. It's all about where it sits.

Mike Bloxham

SVP, Global Media and Entertainment, Magid, USA

An appetite still exists for entertaining brand campaigns.

37% —
enjoy advertising
at the **cinema**



33% —
enjoy TV advertising
viewed on a
television set



33% —
enjoy **out-**
of-home
advertising



Ads in online media forms are often less popular than ads in their offline equivalents.

Some 32% —
like advertising in
printed magazines



But only 27% —
like ads in
online publications



Base: 5,000 connected consumers. Source: Kantar DIMENSION study.

Something working well offline won't automatically be as effective online. Ads need to be tailored to the medium in which they're seen.

How each channel is used to convey a message is just as important as the **way** it delivers it.

TO THE CONSUMER ANY BRAND COMMUNICATION IS ADVERTISING

30%

of consumers believe all brand communication is advertising.



Consumers see content. Unfortunately, we, the advertising industry, see silos.

Harold Geller

Executive Director, Ad-ID, USA

Some 91% of consumers believe that, of the brand communication forms proposed, at least one or more of these counts as 'advertising'. And 30% of those surveyed believe that all of these communication forms are advertising! Media and communication professionals may distinguish between sponsorships, native, product placements, editorial support and straightforward advertising – but most consumers don't. It's all just advertising.

What counts as advertising?

Brand messages

Messages from brands on social media

60%



Messages from brands in news and articles in print / paper copies

58%



Messages from brands in news and articles online

57%



Sponsorship

Sponsorship of TV and radio programmes

65%



Sponsorship of sports events and teams

63%



Product placement

Product placement / brands that are shown in films and TV programmes

62%



Base: 5,000 connected consumers. Source: Kantar DIMENSION study.

A wider sphere of influence

The use of the word 'advertising' as a catch-all by the consumer suggests that there are many beyond the brand's marketing department who can impact how a consumer sees the brand.



If you're being sold something – even if you're enjoying being sold to – it's an ad.

Tom Sussman

*Planning Partner,
Adam and Eve DDB, UK*

Brands need to speak with one voice – across all elements of all types of marketing campaign. And they need to ensure consistency across all communication channels, be it advertising, PR, websites, sponsorships or any other means of delivery.

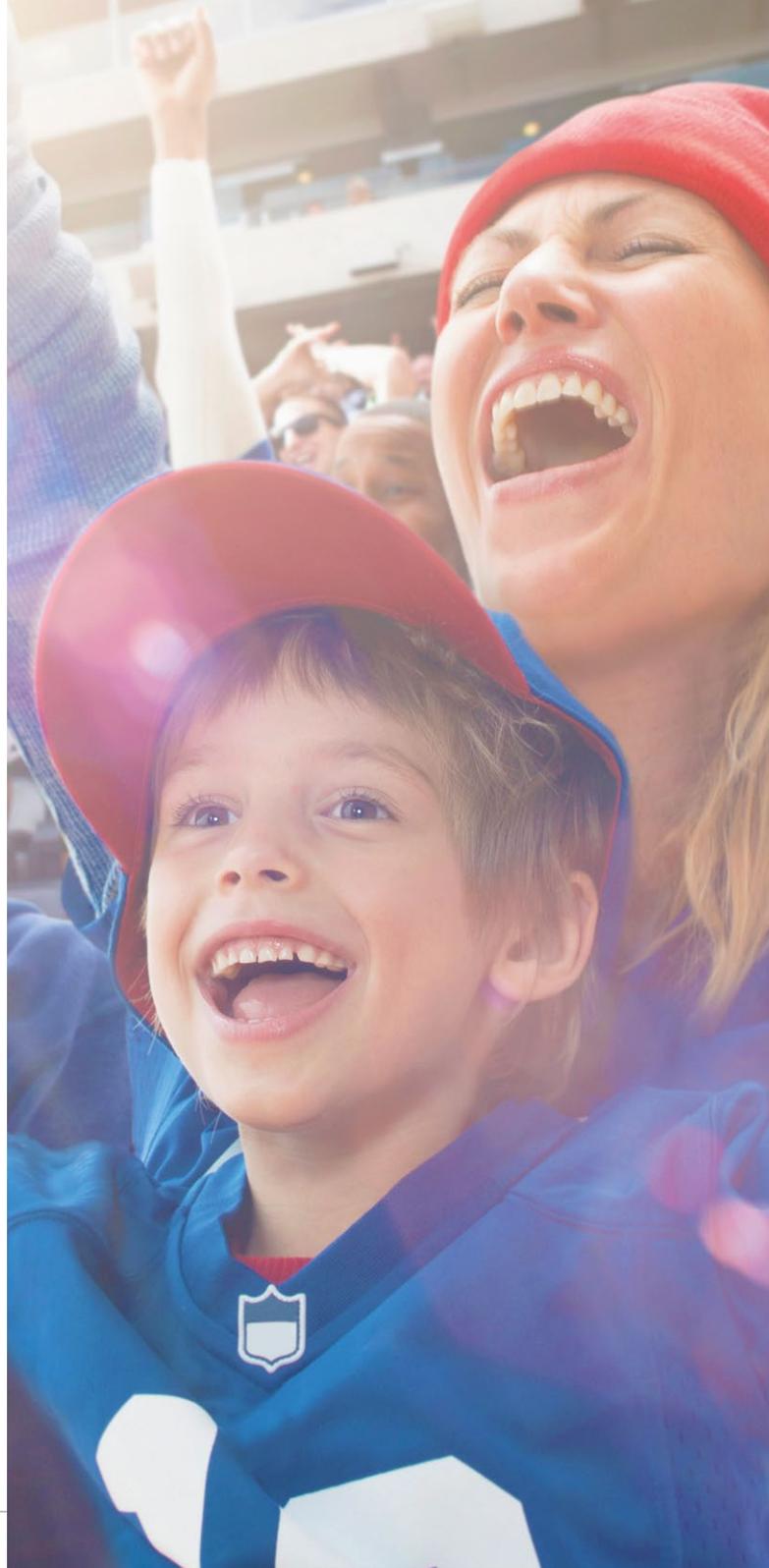
The planning and execution of all commercial activities should be integrated, taking into account all those who have influence over brand perception. This is evidenced by our 2018 AdReaction study which found that integrated and customised campaigns were 57% more effective than non-integrated campaigns.



As consumers see everything as an "ad" anyway, we've got permission to use all of the colours from our palette.

David Miller

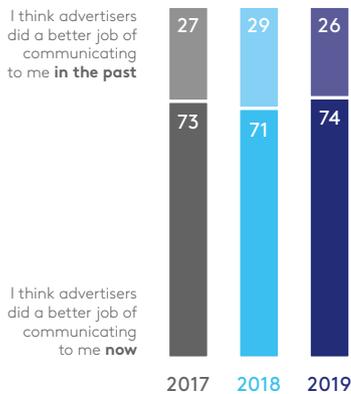
CEO, The Red Brick Road, UK



HOW DO CONSUMERS FEEL ADVERTISERS ARE DOING?

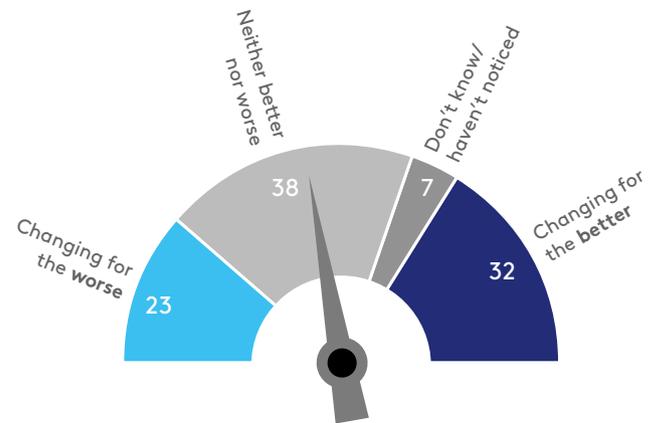
Almost three in four connected consumers feel that advertisers are better at communicating with them these days than in the past. Rather than a growing trend, this hasn't really changed in the last three years:

Are advertisers doing a better job of communicating with consumers? in %



But the perception of improved communication with consumers doesn't mean to say that creative output and content are changing for the better!

Is advertising changing for the better or the worse? in %



Base: 5,000 connected consumers. Source: Kantar DIMENSION study.

Base: 5,000 connected consumers. Source: Kantar DIMENSION study.

The first question reflects, we believe, the ability of marketers to target through effective media strategy and placement. The second reflects more on the creative output and content of the messages.

Reaching consumers has never been easier, nor (in theory) more precise. But what advertisers say to them, how they match the precision of the creative to the accuracy of the media targeting is a whole other matter.



If you know the phone numbers of the 100 richest people in China, will it work if you call them? Can you convert them? You can't – because you don't know their preferences or where, how and what you should say to them. While this information is important, the content is even more so.

Mike Zhu

*Head of eCommerce and Analytics,
Ogilvy, China*



FROM FAME TO RELEVANCE

We believe that mass marketing (done well) leads to brand fame – which leads to a brand’s desirability and ultimately to profitable sales.

Yes, brand messages need to be relevant, but there’s a danger in limiting a brand’s footprint to only a narrow, precisely defined audience.

Fine-tuning the message

Relevance in brand messaging and targeting is more important in marketing than ever. Making the product’s communication relevant at the right moment to the right person is crucial.

The desire for relevance leads to precision marketing. Data-fuelled campaigns allow marketers to understand so much about each consumer’s needs that the message can be fine-tuned. It can appear to speak directly to that consumer and nobody else.



Phil Smith

*Director General,
ISBA, UK*

As consumers go online they’re harder to reach with brand-building advertising, and concurrently marketers are seeing performance metrics as more important.

Brand power

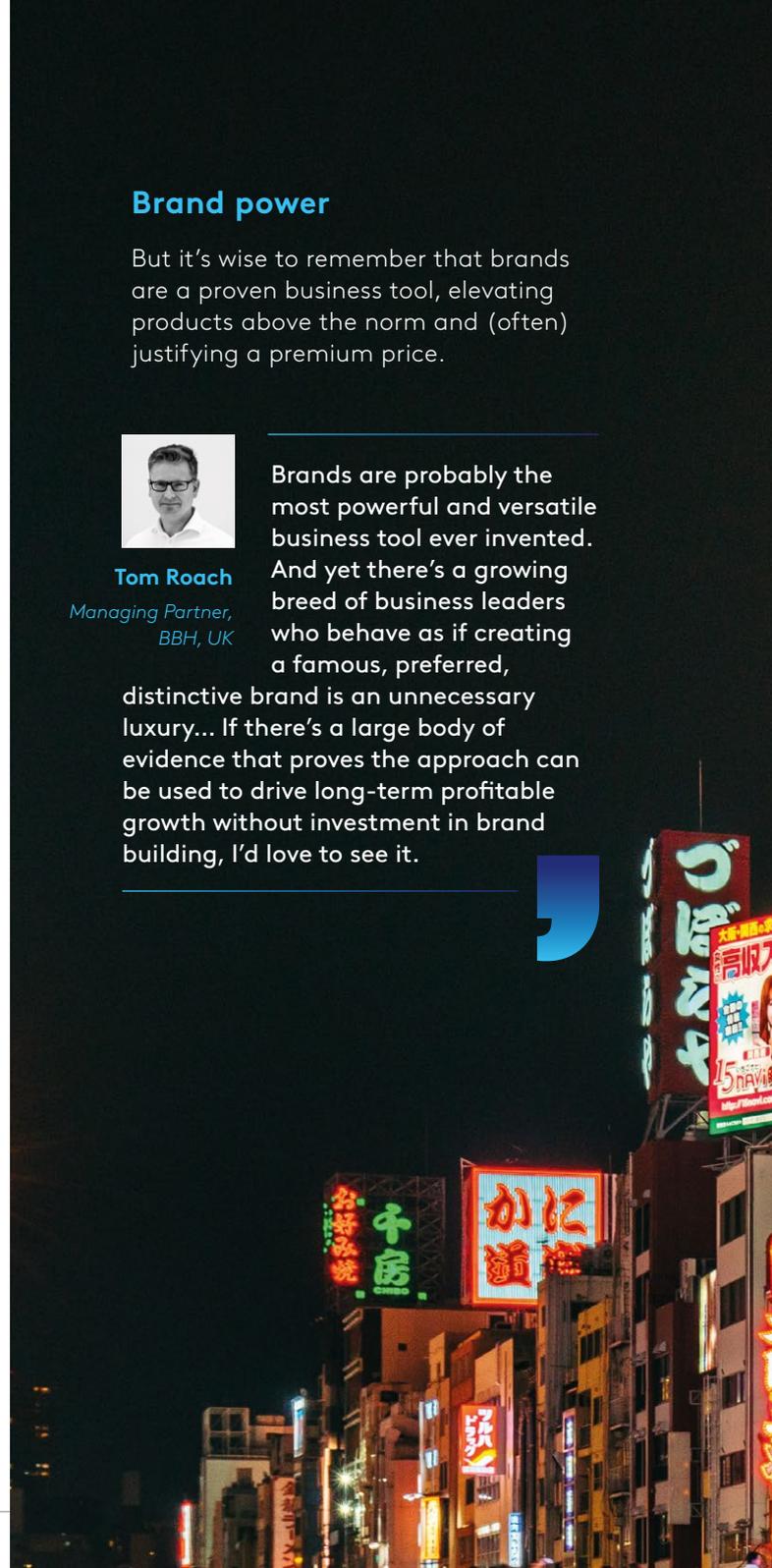
But it’s wise to remember that brands are a proven business tool, elevating products above the norm and (often) justifying a premium price.



Tom Roach

*Managing Partner,
BBH, UK*

Brands are probably the most powerful and versatile business tool ever invented. And yet there’s a growing breed of business leaders who behave as if creating a famous, preferred, distinctive brand is an unnecessary luxury... If there’s a large body of evidence that proves the approach can be used to drive long-term profitable growth without investment in brand building, I’d love to see it.



REDRESSING THE BALANCE

Most marketers accept the need for brand-building and mass marketing as well as precision targeting and relevance. Fame builds demand; precision drives activation.



Chinese consumers are very brand-conscious. If you say the brand name LV, everyone's heard of it; if you reach exactly the right person with precision targeting then the effect will be wonderful. But if it's a completely strange brand, perhaps well-known abroad but not in China, then no matter how precise you are, Chinese consumers won't buy it.

Karen Xiaoyu Huang
Business Director, Carat, China

The question is not whether one approach is better than another, but what is the right balance?



What is the correct balance between mass and targeted? Is the answer penetration or precision? We like to think that there's one model that fits everything.

We like absolutes. They make things easy. But the reality is, it depends.

And in most instances you need both penetration and precision working in combination in order to deliver both short-term results and long-term growth.

Claire Dean
Global Strategist, MediaCom



I am not saying I don't think addressable is effective; I think it's fundamental and we should be investing more and more into it.

What I am saying is that I don't think we should be doing *just* that.

Tom Sussman
Planning Partner, Adam and Eve DDB, UK



A more holistic, integrated approach to measuring the impact of brand communications is key to finding the right balance between mass and precision marketing.



WHEN RETARGETING BECOMES DANGEROUS

Relevance vs retargeting

Precision is a double-edged sword. Yes, the data exists to allow for very precise targeting of messages. But while consumers appreciate relevance, they don't appreciate being constantly bombarded with commercial messages.

Our earlier studies have shown that the industry is treading a fine line between advertising that is relevant and advertising that over-targets.

45% of respondents agree that ads tailored to them are more interesting than other ads.

41% say that they are more interested in those brands that specifically target their advertising to them rather than random advertisements.

44% say they enjoy ads that are directly relevant.

61% say they prefer to see ads relevant to their particular interests.

However

54% object to being targeted as a result of their past online activity.



What you can't see from data is the damage you might be doing by retargeting people endlessly with your products.

Cheryl Calverley
CMO, Eve Mattresses, UK

WINNING BACK CONSUMER TRUST

We started with a question, a question of balance between mass marketing and precision targeting.

There's no right or wrong answer, no silver bullet stating that all advertisers should allocate X% or Y% to mass over precision. But we do feel the pendulum has swung too far towards precision, negatively impacting the carefully constructed trust-based relationship consumers decide to have with brands of interest.

Consumers' negative feelings about advertising – concerns about retargeting, frequency and the threat to privacy – all result from precision targeting rather than brand-building activities.

If advertising is going to regain consumers' interest and trust, it must surely be through a more responsible use of data, along with a stronger focus on the 'mass' approach.

Frequency

Also not appreciated is an excessive level of frequency. 70% of respondents say that they see the same ad over and over again. To consumers it's just too repetitive.



The biggest challenge today is frequency – we don't do a good job as an ecosystem of capping frequency to consumers.

Harold Geller

Executive Director, Ad-ID, USA



Context

Context is important. 41% say they are more likely to believe advertising when it appears on the website of a trusted brand. 48% say they are more likely to notice ads on platforms they enjoy using.

Transparency

With growing consumer understanding and awareness of data privacy and usage issues, transparency is essential. 67% of consumers say it's important to label paid-for communications as 'ads'. Not only must ads be seen as ads, what they say must be honest and transparent to the consumer.



Consumers decode advertising. Advertising is done to create brand stories and to sell. The consumer is very much aware of this; you need honest advertising that tells a story about honest products.

Gautier Picquet

COO Publicis France & CEO Publicis Media



A holistic, integrated approach to measuring the impact of brand communications is key to finding the right balance between brand-building campaigns and short-term promotional messaging.

CONSIDERATIONS

Integrate planning and execution across all brand communications

To many consumers any brand communication is advertising – work with all your teams and agencies to ensure everyone is speaking with one voice.

Our brand guidance systems integrate multiple data sources to provide the ongoing insights brands need to course correct, optimise and improve future brand and advertising performance.

Use data responsibly

If advertising is going to regain consumers' interest and trust, it must be through a more responsible use of data. This means avoiding excessive frequency and irrelevant retargeting, together with a stronger focus on brand-building campaigns alongside short-term promotional messaging.

Transparency is essential

With growing consumer understanding and awareness of data privacy and usage issues, not only must ads be seen to be ads, but what they say must be honest and transparent to the consumer.



About us

We are a global leader in connected intelligence. Our data and insights provide clients with a holistic understanding of the changing media landscape.

Our global coverage and local expertise enable clients to better understand media audiences and their relationships with brands to optimise investment.

Where others see a fragmented reality, we see new opportunities.

For more information about DIMENSION visit www.kantar.com/dimension or contact us:

Global

john.mccarthy@kantarmedia.com

Asia Pacific

michael.toedman@kantarmedia.com

Europe, Middle East & Africa

francois.nicolon@kantarmedia.com

Latin America

marina.matos@kantariibopemedia.com

Nordics & Baltics

frida.wentzel@kantarsifo.com

North America

elaine.chen@kantarmedia.com

UK & Ireland

claire.melly@kantarmedia.com

