

TV campaigns are icing on the marketing mix

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The first fast.MAP/Marketing Week Effectiveness Tracker looking at retail brands reveals that TV campaigns only work if advertisers support them with direct marketing activity.

A catchy television ad is a sure-fire way for a brand to be remembered, but it doesn't necessarily lead to money in the bank - that is down to a solid supporting act of direct and relationship marketing. Not surprisingly, therefore, the brand leading the fast.MAP/ Marketing Week effectiveness tracker in the supermarket sector is Tesco.

Well-known for deploying TV ads and strong direct marketing through its Clubcard, Tesco has 62% overall ad recall, with 70% of the 1,142 consumers questioned remembering its TV campaigns and 17% recalling print ads.

However, most surprising is the 19% recalling its email activity, making Tesco one of only a handful of brands to achieve double-digit recall for this type of marketing. And where there is a high email or traditional mail recall, brands seem to enjoy far greater shopper conversion overall.

Sainsbury's and Asda both share a 53% overall ad recall, but Asda fares slightly better in TV recall with 64% to Sainsbury's 60%. However, Sainsbury's has the edge with 9% recalling emails to 5% for Asda.

When it comes to actually going into a shop as a result of seeing a TV ad, Tesco is the clear winner, with 44% of people who remember its campaigns going into a store. This is more than 10 percentage points above the figures that Sainsbury's and Asda achieve.

Morrisons is level with Asda in terms of converting people to buy something - 16% of respondents say they do this, a percentage point above Sainsbury's but six percentage points behind leader Tesco, which has 22%.

Fast.MAP managing director David Cole says this is down to clever targeting: “Targeting is the holy grail. Tesco needs the whole marketing mix to be successful - the TV ads give the brand gravitas, but direct marketing drives footfall.”

Indeed, Argos - one of the few brands outside the supermarket sector to enjoy both high overall ad recall and high shopper conversions - also scores far better than Tesco on email recall.

Argos tops the electricals segment of the research with 59% recalling its TV ads and an impressive 26% for its email campaigns. Its ad effectiveness is also very high, with 38% of respondents visiting the store and 39% going to the website. Cole concludes: “Argos benefits from being a one-stop shop for a large number of lifestyle goods. Its ads aren’t so much brand-building as reminding people of the next time they need to use it.”

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Argos may be the only store outside the supermarket sector whose ubiquity in daily life contributes to the high shopper conversion scores rather than the effectiveness of its advertising. “These stores have reached critical mass,” says Cole. “They are going to be visited far more frequently than other brands in the survey.”

Retailers of expensive items such as furniture or goods that are required once every five years or so, such as televisions, show far lower recall in any ad category.

Only 3% of respondents recall any form of communication by Best Buy and 1% for Powerhouse, compared with sector competitors Currys (23%) and PC World (31%). In Best Buy’s case, this might be explained by the fact that it is a fairly recent entrant from the US with no cultural heritage to jog consumers’ memories.

Equally, investment piece stores such as Furniture Village only achieve 10% overall recall and 13% TV ad recall. In contrast, Ikea fares pretty

strongly with 28% TV ad recall. In addition, 14% of respondents said that they would visit the store and 6% go on to buy something.

At the other end of the scale, there are those brands that still manage to score very highly on ad recall and yet their shopper conversion is minimal. These include furniture store DFS, whose sofa ads are hard to forget, given its 2010 marketing spend of £90m according to Brad Insight.

DFS has a creditable 33% overall ad recall, which is on a par with Homebase and Wickes and second only to B&Q in this sector. In a comparatively low-performing sector on the recall scale, it maintains its second place behind B&Q in TV ad recall at 51%.

Yet when it comes to effectiveness, DFS comes way behind the likes of B&Q, Wickes, Ikea and Homebase with only 5% visiting the store, 7% visiting the website and a mere 1% buying anything. Cole suggests that this is likely to be the case because while DFS operates in the same sector as Homebase, Ikea and B&Q, its products are specialised.

And yet all these results seem to lead Cole to the same conclusion. Ad effectiveness is being driven primarily through direct marketing activity in the case of Tesco and Argos. And TV advertising appears not to have a significant impact on shopper conversion in the case of brands such as DFS, or indeed does not register at all as in the case of a quarter of supermarket shoppers or nearly half of those who use electrical stores. In which case, is TV advertising really necessary?

While Tesco's 64% ad recall converted 22% of respondents to actually buying something in store, B&Q's 43% ad recall converted into 28% sales.

"It will be interesting to follow this tracker over the years to discover whether or not we will see a drop off in brands using TV as an advertising mainstay. There is such a strong correlation between personal media and purchase that you must question why brands continue to spend on TV to such a degree," concludes Cole.

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Siobhan Fitzpatrick Head of brand marketing Argos

The recall by media figures are broadly in line with our expectations. Internet penetration accounts for 36% of Argos sales, which is reflected in the research and our investment across different media. Social recall will become more influential in the customer journey so it's fantastic to see Argos as one of the front-running retailers. Being the only retailer to have recall across all media is pleasing and reinforces our strength as a true multichannel retailer in the eyes of consumers.

Argos has been working with CHI & Partners to highlight each element of the particular channel and its benefits.

Our biggest growth channel is online check and reserve, which is used by 1 million people a month. We are addressing some of the limitations of online shopping in our new campaign, particularly if you want an item immediately. As the campaign demonstrates, this is critical when the sun shines for impromptu barbecues, paddling pools or last-minute birthday gifts. The new campaign, dramatising the 'order online today, enjoy today' idea broke earlier this month on social media. The next day the campaign went live on TV, with digital, press, outdoor and radio following.



Tony Holdway Brand director Wickes

Wickes is joint second in advertising recall with brands that outspend us

heavily, which is encouraging. I believe our ads are creative and distinctive in our market sector and the public is engaged by that.

The results tell us that our ads are strong from a content and media targeting stand point. We are coming at it differently from our competitors because we have a brand education job to do. The ads tell the Wickes story with a mixture of value and price.

The figures showing that people take action once they've seen ads might be higher if we advertised like our competitors and focused predominately on offers.



Matt Button Head of customer relationship marketing HMV

It is encouraging to see the response to mail and email because we've been involved in a 12-month project consolidating all our data into a single customer view. Now we know who people are, what they're buying, when they're buying it and how much they are likely to spend. So we can really offer more targeted ads. We realised that CRM is a vital part of marketing and we use that data to drive all our communications.

Even though the single customer view is extremely important, it is not to be used at the expense of other media in the mix. I don't believe we will see TV and radio drop off just because personal media ads are shown to generate conversions. TV is great for changing customer perceptions and brand building but it's not necessarily a medium I'd use to convert sales. They all make up an important part of the jigsaw.

Our level of TV ad recall is around the expected level. We do a lot of advertising through partners. The brand message is shared and so is the cost.