



The Aotearoa  
Effectiveness  
Database

# Future Demand in Action

A recipe for New Zealand advertising that converts more sales in the short term and builds bigger businesses over the long term

Insights from the Aotearoa Effectiveness Database 2022-2024

James Hurman



Commercial  
Communications  
Council

*in partnership with*

Tracksuit

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# About the author

James Hurman is one of the world's leading advertising effectiveness experts. He grew up in the advertising industry as a strategic planner and during his career won over 50 advertising effectiveness awards before being named the world's number one strategic planning director.

He's the author of several major data-driven marketing effectiveness studies including *The Effectiveness Code* (2020) with Cannes Lions and WARC, and *The B2B Effectiveness Code* (2021) with the LinkedIn B2B Institute and WARC. He's the author of two books on the subject – *The Case for Creativity* (2015) and *Future Demand* (2022) – which bring together evidence-based research to help organisations better plan brand, marketing and advertising strategy.

He consults in this capacity to large organisations across the world, and is a senior advisor at LIONS Advisory - the consulting offering of Cannes Lions - through which he leads creative transformation programmes for major global brands.

James is the programme director of the Master of Advertising Effectiveness, a global online professional development programme for marketing and advertising people whose alumni includes executives from Google, Amazon, Airbnb, Disney, McDonald's, New York Times, Salesforce and all of the major advertising agency networks.

He's also the founding partner of Previously Unavailable, a creative company that partners with, creates and invests into high-growth startup companies, and a co-founder of several high-profile New Zealand startups including Tracksuit (brand health tracking SAAS) and AF Drinks (non-alcoholic RTD cocktails), both of whom are market leaders in New Zealand and growing in the US and other global markets.

[jameshurman.com](http://jameshurman.com)



# Foreword

Much has been written to further our understanding of advertising effectiveness. In the UK, the IPA has been instrumental in supporting the work of Les Binet and Peter Field in various publications, including the seminal *The Long and the Short of It*. Many of the insights that Les and Peter uncovered are drawn from the IPA Effectiveness Database, which now holds over 1500 Effectiveness Case Studies.

Closer to home, the work of the Ehrenberg-Bass Institute for Marketing Science at the University of South Australia, led by Byron Sharp, has been hugely influential through publications such as *How Brands Grow*.

There remains, however, a real-world gap between marketers who nod in agreement to the findings contained in these popular works, and evidence of widespread adoption of the principles proposed by these globally recognised thought leaders. How else can we explain the existence of so much work, developed by professionals, that doesn't quite hit the mark?

We wondered if one of the barriers to embracing best practice might lie in the geographical source of the findings. New Zealand, surely, is a very different market than the United Kingdom, or Australia for that matter. We're smaller, operate on significantly smaller budgets, and that alone leaves room for doubt(ers).

In 2022, with the support of ThinkTV, we began conversations with James Hurman, at about the same time that he was developing his work on Future Demand – a fresh, and arguably more accessible take on *The Long and the Short of It* – to fill this gap. We realised that the best way to localise the findings from elsewhere in the world would be to develop our own database. The Aotearoa Effectiveness Database was developed, aligning to methodological learnings from the UK and Australia, but evolving to enable further insights as the database grows.

This report is the first of its kind; an interrogation of effectiveness case studies from New Zealand. It allows us to see just how similar or different the conditions for

effectiveness really are by comparison with existing findings in other markets. Are we unique, or does effectiveness follow broadly the same principles that have been identified, at scale, in other markets?

We're delighted to share the findings with you, made possible by the analysis conducted by James Hurman and the support and wider context provided by another local success story, Tracksuit.



**Simon Lendrum**

CEO, The Commercial Communications Council

October, 2024

# Executive Summary

This report describes the findings from an analysis of the 116 for-profit advertising cases in the Aotearoa Effectiveness Database from 2022-2024.

The report centres on the principle of 'Future Demand' – the idea that marketers have two equally important jobs – one being to convert the 'current demand' in their category to efficiently win their share of short-term sales, the other to build their brand among future category buyers so that as they enter the category, they're more likely to buy from the brand.

Our analysis reveals the key media and creative strategies for developing advertising that most successfully converts current demand, and the different media and creative strategies for developing advertising that most successfully creates future demand.

In summary, the data shows that advertising that most successfully converts current demand tends to be:

- Rational, informational, less creative campaigns
- Where production is cost-efficient and executional craft is 'good enough'
- Which don't use emotional tools like humour or well-known music
- Targeted broadly using algorithmic targeting on digital channels
- Spread out across as many media channels as possible
- Using shorter spots but going for larger screens.

And that advertising that most successfully creates future demand tends to be:

- Emotional, highly creative campaigns
- Where production and executional craft excellence are invested in and strived for
- Which make use of emotional tools like humour, well-known music and storytelling
- Targeted broadly using traditional targeting on broadcast channels
- Spread out across as many media channels as possible
- Using longer spots and going for larger screens.

Our findings also provide evidence that the principles discovered in the IPA's *The Long and Short of It*, and the Ehrenberg-Bass Institute's *How Brands Grow* hold true in Aotearoa New Zealand.

There is no evidence that New Zealand is a 'special' market with different rules, albeit we are a smaller market with smaller budgets. Nor is there evidence that the emergence of digital platforms and performance marketing have rendered these principles obsolete.

Beyond the principle of Future Demand, we find:

- Brand awareness to be a much more important marketing metric than NPS in terms of its ability to predict long-term brand growth
- Purpose to be a generally ineffective creative strategy
- Increasing loyalty to be much less effective for brand growth than increasing penetration
- Investing in celebrities to be much less effective than developing brand spokespeople, characters or mascots.

# The principle of Future Demand

When I speak at conferences I often do an experiment with the audience.

First, I ask them to put their hand up if they are in the process of buying a new smartphone, or think they'll do so in the next two weeks.

One or two hands go up.

Then, I ask the audience to put their hands up if they think they'll buy a new smartphone sometime in the next two years.

Almost everyone's hand goes up.

I tell them that the reason for the experiment is to illustrate a simple truth: that in any market, at any given point in time, there are two types of demand.

There's what I call 'Current Demand', which is the group of people who are in the market and ready to buy right now. That small group of hands that went up first.

And there's what I call 'Future Demand', which is the group of people that aren't in the market right now, but who will certainly be at some point in future. That much larger group of raised hands.

I tell them that, just as my very scientific experiment has demonstrated, the pool of current demand is always much smaller than the pool of future demand.

The data<sup>1</sup> shows that in most categories, between 5% and 15% of 'category buyers' are in the market at any given point in time, and between 85% and 95% are not, but will come into the category later.

We can imagine any category as a constant stream of people entering it, purchasing something from it, then

exiting it. At any given point in time, there's a small group of people 'in' the category. Move forward in time, and there's a different small group of people 'in' the category.

Advertising has a role to play with both those people in the category right now (our current demand) and those who'll come into the category later (our future demand).

The role advertising plays with our pool of current demand is obvious. It's to convince those people who are in our market, intending to buy something from our category, to choose us.

But the role advertising plays with our much larger pool of future demand is completely different.

It's not to work, in vain, to convince those people to go against their natural behaviour and buy from a category that they don't currently intend on buying from.

It's to prime them with our brand, so that when they enter our category, they gravitate toward us.

One of the main biases studied in behavioural science is the 'familiarity bias'. This is the unconscious predisposition we all have to things that we're more familiar with.

In the science literature, it's known as the 'mere exposure effect'. The fact that we tend to like things and gravitate toward them merely because we've been exposed to them in the past.

It doesn't matter what the thing is. We feel safe around people we're familiar with and we're wary of people we're unfamiliar with. We enjoy music we've heard before more than we enjoy a song we hear for the first time. We sleep well in rooms we've slept in before, and we have restless first nights in hotel rooms.

Familiarity breeds contentment, as they say.

And it's no different for brands.

When people come into a category, they gravitate toward the brands that they're familiar with.

This happens subconsciously, and our subconscious is powerfully persuasive. Most of the time it's much more



persuasive than even the most persuasive piece of marketing.

So, one of the most important jobs marketing does is making people familiar with a brand before they come into the category.

And that's what we mean by 'creating future demand'. It's about communicating effectively with that large audience of future category buyers, making them familiar with us, and making them remember us so that when they come into the category, they gravitate toward us. That gravitational pull means that they're then more likely to respond to our short-term advertising, or performance marketing.

## A Tale of Two Platforms

Over the past two years, we at Tracksuit have combined our data with the performance data of brands on TikTok and Amazon.

We used the brand awareness data we now hold on thousands of brands around the world – and compared that to the sales data of those same brands as reported by TikTok and Amazon, two of the world's largest performance marketing platforms.

In both cases we found compelling validation of the principle of future demand.

The marketing science team at TikTok looked at how brand awareness impacts on performance marketing metrics.<sup>2</sup>

Firstly, they found no correlation between brand awareness and click-through rate, which we can see in figure 1.1. It doesn't matter if you're a brand with ubiquitous awareness or a brand that hardly anyone's heard of. If you do a great piece of content, people will engage with it, share it and click on it.

But, of course, engagement and clicks are notoriously poor predictors of sales<sup>3</sup>.

So TikTok then looked at brand awareness and conversion rate. And they found a robust correlation between the two, which can be seen in figure 1.2.

As figure 1.3 shows, brands with higher awareness have higher conversion rates. If 40% of people have heard of you, your conversion rate is about one and a half times higher than if 20% of people have heard of you. If 60% of people have heard of you, your conversion rate is about three times higher.

FIG 1.1 No Correlation Between Brand Awareness and Click-through Rate

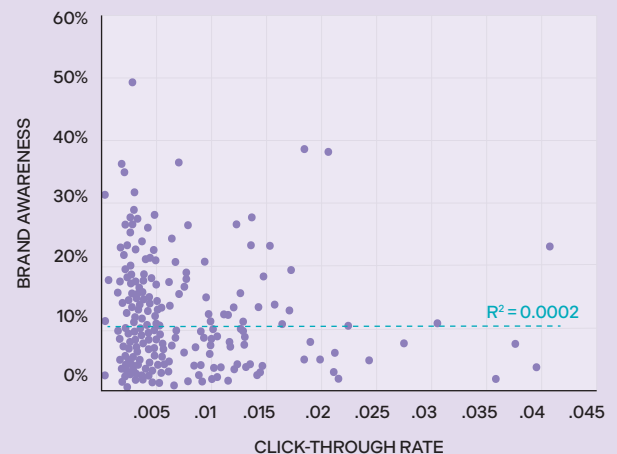


FIG 1.2 Strong Correlation Between Brand Awareness and Conversion Rate

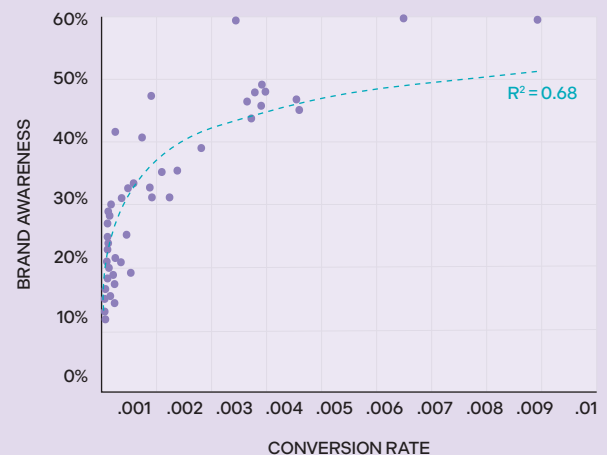


FIG 1.3 Performance Marketing



Source: The Awareness Advantage, 2024



Tracksuit

When we build brand awareness, we build future demand. We make our brand familiar to those who'll come into the market later. That means that when they do, they're much more likely not only to click on our performance ads but to actually buy our product and convert into a sale.

Separately, with Amazon data, we explored an important metric we called 'growth efficiency'.<sup>4</sup>

Many brands find that when they begin performance marketing on Amazon, their costs of acquisition and ROI are very strong – but as they scale their spend up, the results begin to diminish. This 'performance plateau' has been observed on every major digital platform.

So we looked at what happened to a sample of 100 brands as they increased their spend on Amazon.

As we can see in figure 1.4, there's a clear correlation between brands increasing their spend and experiencing greater sales. Amazon works well as a marketplace, and generally if you increase your spend, you can expect your sales to follow.

But it's important we understand *how much* sales go up as we increase our spend.

Put simply, if we increase our spend 10% and our sales also increase 10%, then we're able to grow efficiently. Our new sales are coming at the same cost as our past sales. That's the purple dots on and above the blue line.

But if we increase our spend 10% and our sales increase only 5%, then we're not able to grow efficiently. Our new sales are coming at a greater cost than our past sales. Meaning we become less profitable every time we increase our spend, which puts pressure on the business and in some cases leads to its demise. That's the purple dots below the blue line.

When we compared the growth efficiency of brands to their brand awareness, we found that high awareness brands are much more growth efficient than medium or low awareness brands. At first glance, the gradients of the lines in figure 1.5 don't appear too different – but the red line represents an inefficient 6% uplift in sales when spend is increased 10%, while the purple line represents a very efficient 13% uplift in sales when spend is increased 10%.

The high-awareness brands can pour more money into the performance marketing machine, and continue to get great returns. Whereas the low awareness brands will become less and less profitable the more they advertise.

FIG 1.4 Growth in Amazon Spend vs Growth in Amazon Sales

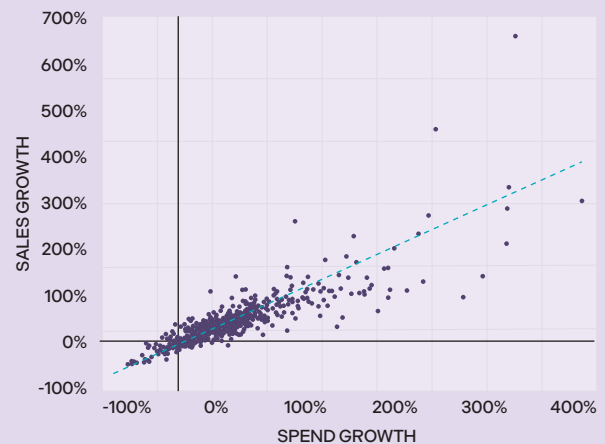
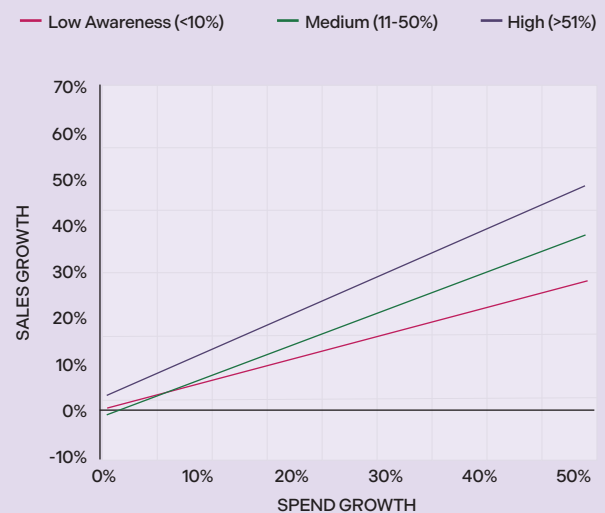


FIG 1.5 Growth Efficiency



Source: Growth Efficiency, 2023

WARC | Tracksuit

What both studies show is that the familiarity of a brand does indeed result in customers gravitating toward that brand as they come into the market.

And when we scale that familiarity – our brand awareness – as we scale our performance spend, we continue to see a strong return on our performance investment.

As we create more future demand, we become more effective at converting the current demand in our category.



## Two different jobs, two different styles of advertising

As the effects of advertising have been more closely studied by organisations like the UK's Institute of Practitioners in Advertising (IPA), we've learned that advertising works differently in the short-term to how it works over the long-term.

In their landmark IPA study *The Long and Short of It*, Les Binet and Peter Field showed that more rational and tightly targeted advertising was better for driving immediate sales, and that more emotional and broadly targeted advertising was better for driving long-term brand and business growth.

As we've built the Aotearoa Effectiveness Database, we've collected many of the same data points that exist in the IPA's Databank, allowing us to ask two important questions:

### 1. Do the principles hold true in New Zealand?

The IPA's cases tend to be for brands that operate in large markets like the UK and US. They're much bigger brands, with much bigger budgets, than brands in a far smaller market like New Zealand.

### 2. Do the principles still hold true?

A lot has changed since *The Long and Short of It* was published in 2013. Marketing is a vastly more digital discipline - we've been through a global pandemic and tumultuous macro-economic conditions that have impacted brands in New Zealand as they've impacted brands the world over. Do the principles in *The Long and Short of It* represent the way advertising happened to work at a point in time over a decade ago? Or are they enduring?

The cases in the Aotearoa Effectiveness Database are exclusively for campaigns run in New Zealand, and they're all from between 2022 and 2024.

That gives us an opportunity as New Zealand marketers to understand what works in our market and in our era.

And to understand how we can excel at the equally important jobs of converting current demand and creating future demand, by interrogating our data to discover the right style of advertising for each job.

# Data & Methodology

Each year, when entries are submitted for the Effie Awards Aotearoa, we require entrants to fill out a survey which collects data about the brand, the campaign's media and creative strategies, and the campaign's results.

The Aotearoa Effectiveness Database was launched in 2022. We've now been through three Effie cycles and have complete data for 116 individual cases from for-profit brands. While this is no match (yet) for the IPA's bank of over 1,600 cases, it's a big enough sample to produce a meaningful analysis.

The main methodology we've used in this study is what we call an 'average number of very large effects' analysis.

We collect data across 22 different common effectiveness metrics – from campaign effects like campaign engagement and earned media, to behavioural effects like increases in penetration and loyalty, to brand effects like increases in brand awareness and pricing power, to commercial effects like increases in sales and market share.

We collect commercial data across both the short-term (campaigns that have driven immediate or very near-term sales or market-share increases) and the long-term (campaigns that have driven sustained sales or market-share increases for more than 6 months from the start of the campaign).

The short-term commercial effects indicate campaigns that have been effective at converting the current demand in the category. The long-term commercial effects indicate campaigns that have been effective at creating future demand for their brands, then converting that demand over time.

We can observe campaigns that have driven no effect against each metric, a negligible effect, a moderate effect, a fairly large effect or a very large effect.

For this study we've analysed the commonalities of campaigns that create 'very large effects'. If our goal is to achieve excellence in effectiveness, it's these campaigns that show us the way.

Each campaign has achieved 0, 1, 2, 3 or 4 very large short-term commercial effects, and 0, 1, 2, 3 or 4 very large long-term commercial effects. Using this data, we can study the 'average number of very large effects' that campaigns that have, say, used narrow targeting, and compare that against the average number of very large effects of campaigns that have used broad targeting.

This allows us to analyse all sorts of variables of media and creative strategy to see whether they're better at driving short-term results by converting current demand, or better at driving long-term results by creating future demand.



**The Aotearoa  
Effectiveness  
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## Our dataset as of 2024

Year Entered	# of cases	Size of brand	# of cases
2022	34	New Product or Service	10
2023	79	Niche	9
2024	57	Small	27
		Medium to Large	57
		Market Leader	45
<b>Brands &amp; Campaigns</b>			
No. of individual brands	114	<b>Pricing</b>	
For-profit campaigns	116		
Not-for-profit campaigns	54	Value	14
		Mid-market	59
		Premium	29
<b>Category</b>			
B2B	8		
Charity	19		
Consumer Durables	5		
Consumer Services	53		
Consumer Technology	8		
CSR	2		
FMCG	20		
Government	31		
QSR	2		
Retail	21		
Sports	1		

## A note of caution on principles and outliers

This study represents a series of principles that are best viewed as 'generally true'. They are not 'hard laws' and we caution against seeing them as such, or heavy-handedly turning them into rules that you blindly apply to everything you do.

As is always the case in marketing, there are outliers – for every principle, there will be a few cases in our database that have succeeded despite not adhering to the principle in question.

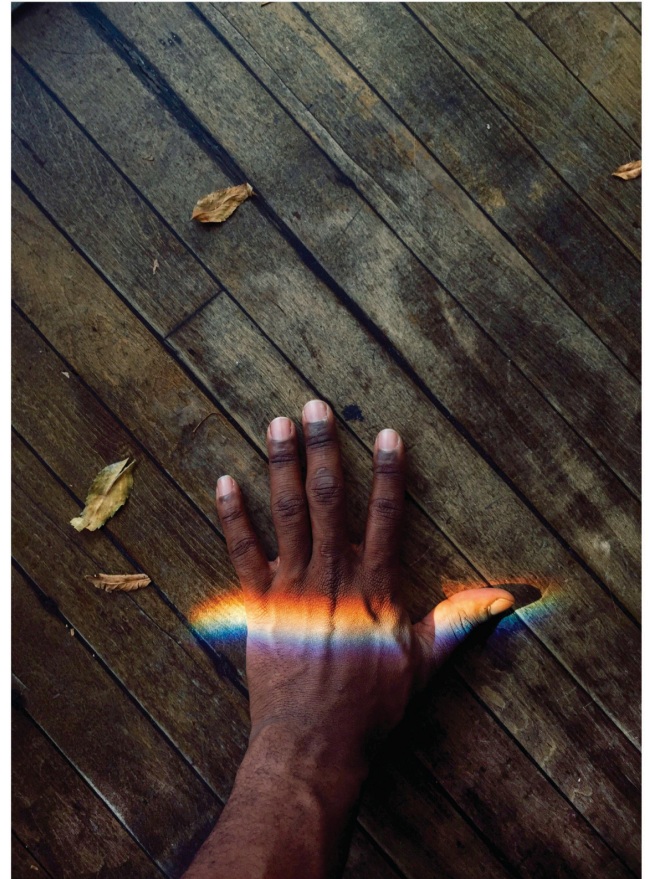
There is no foolproof formula for creating effective advertising, which exists in the complex adaptive system of ever-changing market conditions and consumer culture. And some advertising ideas benefit from being executed in a way that breaks the rules.

Take the common belief that we should spend about a third of our overall budget on production, and two thirds on media. Our data suggests that this is, on average, about right. But consider two well-known international outliers. Apple's *Shot on iPhone* campaign was hugely effective, at a production cost that was likely one or two percent of the overall cost of running the campaign on premium outdoor sites in every major city in the world. Volvo's *Epic Split* was also phenomenally effective, and didn't spend a cent on media – the production cost was 100% of the total budget. In Apple's case, they had an idea that didn't need much production to be executed perfectly. In Volvo's case, their strategy was about doing something wild enough to bring people organically to their YouTube channel. In both cases, they were absolutely right, despite neither getting anywhere near the commonly effective production:media ratio.

It's valuable for marketers and agencies to understand what works most of the time – hence this study, which provides guidelines to what generally produces the best outcomes.

It's foolish to spend all our budget and resource doing things that the data shows are unlikely to work – but it's just as foolish to paint too much by numbers and not allow for experimentation where there's a clear rationale.

We encourage you to understand the principles and apply them wherever it makes sense - and then to make thoughtful and strategic choices when a certain situation or idea necessitates a different approach.



Shot on iPhone 6

by Paul O.  
[apple.com/worldgallery](http://apple.com/worldgallery)



# Converting Current Demand

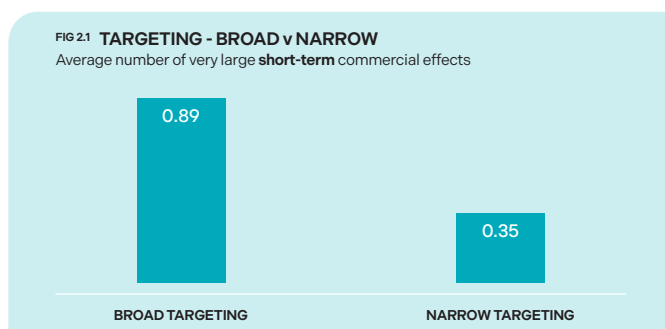
In this section we explore the commonalities of campaigns – both from a media and creative point of view – that have driven the greatest immediate or short-term results. These campaigns have been the most effective at converting the current demand in the category into customers of the brand.

## 1. Media & Targeting

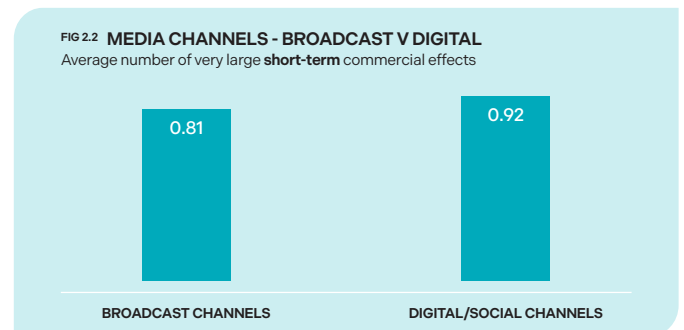
There's been much debate in the industry about whether to broadly target 'all category buyers' (or as many of them as we can afford to reach) or to more surgically target a specific group such as a segment of the market, a buyer persona, or our existing customers.

Notable institutions like the IPA and the Ehrenberg-Bass Institute of Marketing Science have long espoused that our potential buyers do not normally conform to a neat persona or demographic profile – and that broad targeting that creates a little wastage is much better for effectiveness and brand growth than narrow targeting that ends up missing most of those potential buyers.

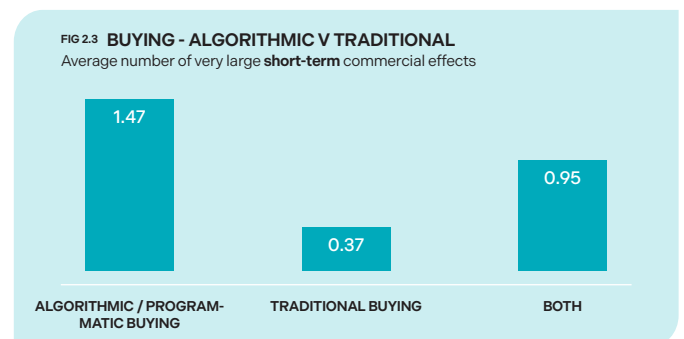
Our data shows a very wide delta in effectiveness between the two. Broad targeting is at least twice as effective if we're looking to drive short-term commercial effects:



When it comes to media channels, leading with digital or social media (paid search and social, online video and online display) performs a little better than broadcast media (TV, OOH, radio and PR), although the difference here is not significant:

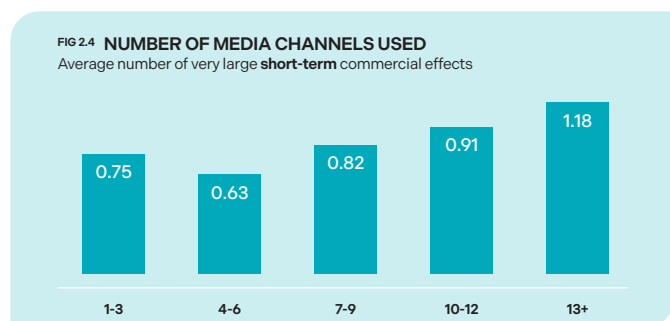


We also find that algorithmic buying is much more effective than using more traditional media tools and contextual buys, suggesting that the algorithms developed by digital platforms are indeed effective at identifying consumers that are currently in the market:



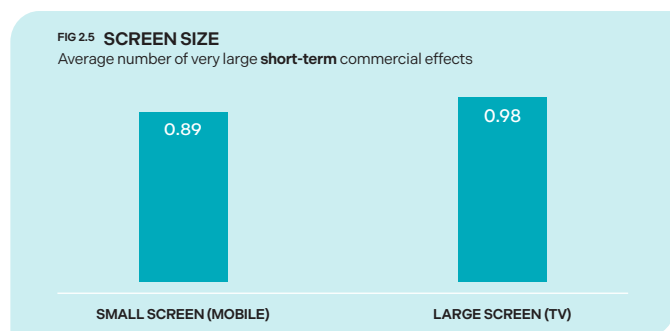
When it comes to the number of media used, we find the same thing many other effectiveness researchers and studies around the world have found – that campaigns

are more effective the more media channels they're spread out across. Campaigns that use 13 or more channels (which can include many different forms of digital, such as online video, paid search, eDMs or display) are around twice as effective as those that use 6 channels or fewer:

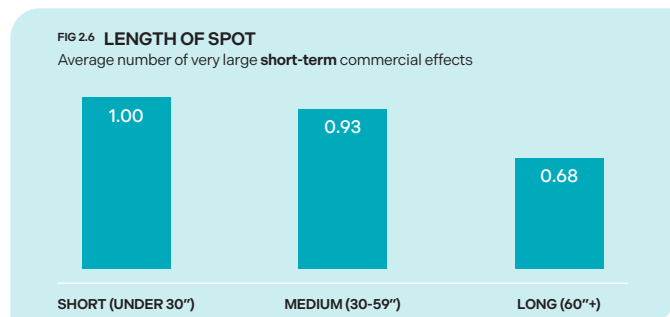


## Spot Length and Screen Size

In the cases of online video or TV campaigns, the size of the screen that the ad is viewed on does not make a significant difference to the effectiveness of the campaign:

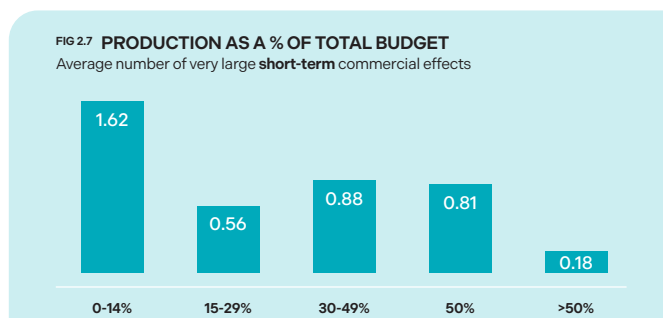


However, the length of spot does – for short-term results, campaigns that lead with shorter spots produce better outcomes:



## Media and production spend

Our data suggests that short-term results are not dependent on high levels of production spend. Those campaigns where production costs were between 0% and 14% of the overall (media plus production) budget were the most effective:



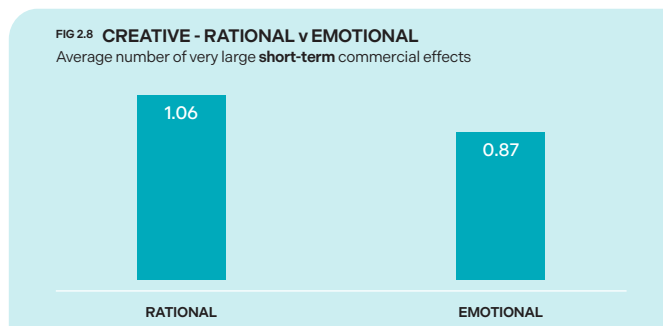
## 2. Creative Strategy

Alongside our media and targeting choices, the decisions we make around creative strategies - whether or not to engage emotionally, use high levels of creativity, strengthen our distinctive assets or invest in great music – play a big role in determining whether or not we'll be effective.

### Rational, Emotional and Fame campaigns

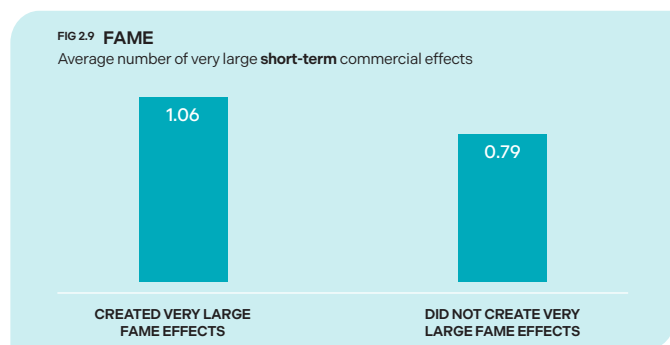
One of advertising's abiding arm-wrestles has been between advocates of using more functional advertising that communicates rational information about features and benefits, and proponents of engaging advertising that focuses more on eliciting an emotional response from consumers.

When it comes to driving short-term sales, the rational approach appears to be slightly more effective:





However, wrapping rational information in a campaign idea that drives fame effects (earned media and earned impressions) gives advertisers an advantage:

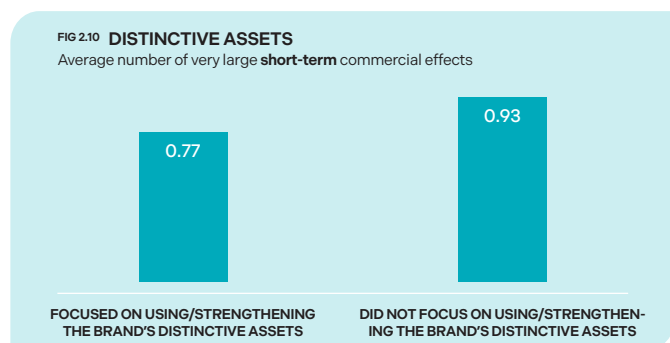


This makes sense, of course, because when ideas earn attention, impressions and media coverage, they reach people and drive results beyond the confines of their paid media budget.

## Distinctive Assets

Since the advent of *How Brands Grow*, marketers across the world have embraced the importance of developing distinctive assets for their brand, to be used across all touch points including advertising.

Somewhat surprisingly, campaigns that focused on using and strengthening the brand's distinctive assets did worse in terms of driving short-term sales:



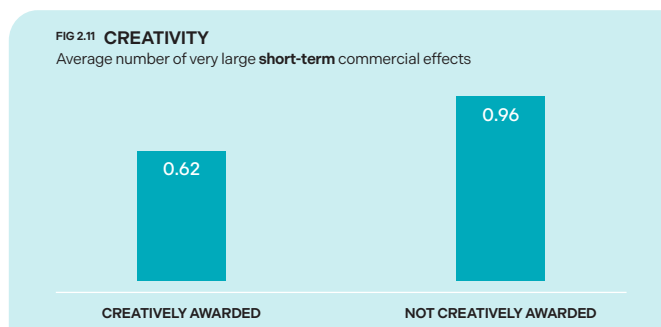
One possible reason for this is that, despite the evidence that distinctive assets give brands an advantage, an over-focus on distinctive assets to the detriment of the message in short-term advertising may indeed reduce a campaign's 'selling power'.

## Creativity

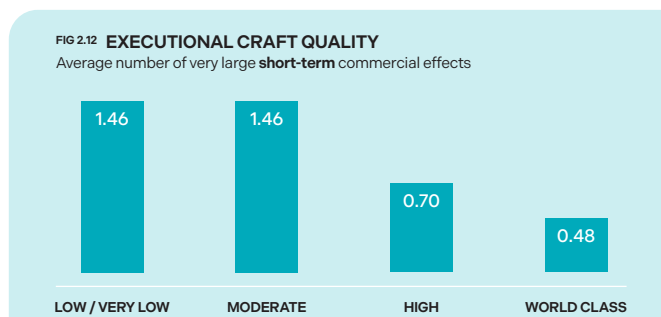
Despite ongoing debate in the industry as to the value of creative awards, there is a veritable mountain of evidence that, overall, campaigns with 'creative award-winning qualities' – high originality, highly engaging ideas and high craft quality – are significantly more effective than campaigns without those qualities.<sup>5</sup>

However, when we drill down into short-term and long-term effectiveness, we find the story to be more nuanced. In our dataset we can identify campaigns that have won a creative award, and compare them against campaigns that have not.

We find that creatively awarded campaigns are significantly less effective at driving short-term sales:



We also find that the quality of executional craft – investing in great cinematography, photography, animation, and design – matters much less in the short-term. Campaigns with low to moderate executional craft out-perform those with high or world-class executional craft when it comes to driving short-term sales:

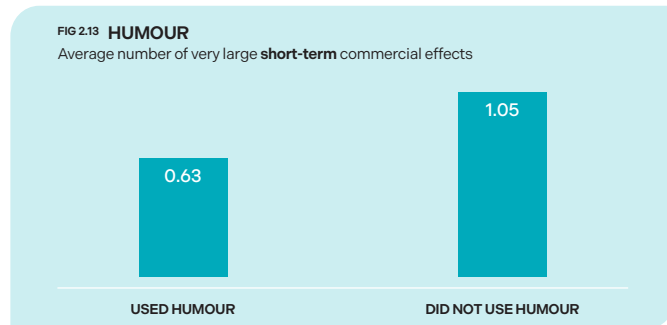




## Creative Strategies

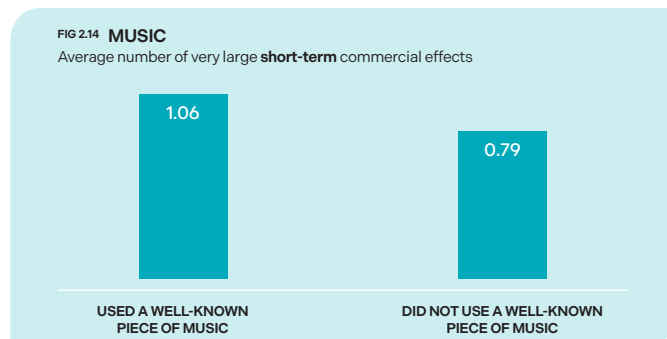
We'll cover creative strategies a little more in the third section of this study, but for now we'll focus on the areas where different creative strategies produce markedly different outcomes across the short and long-terms – humour, music and storytelling.

When it comes to humour, we find that campaigns that used humour were significantly less effective at driving sales in the short-term:

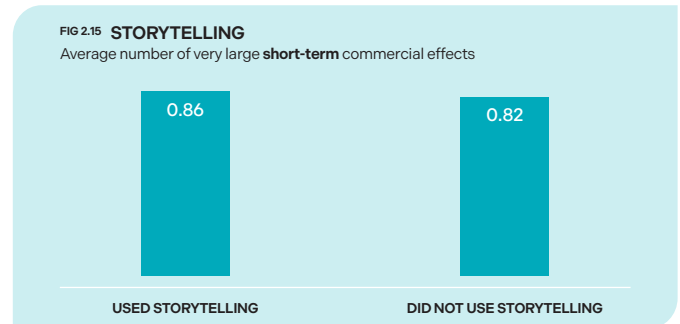


This finding aligns with the previous finding that more functional, rational messaging works harder in the short-term than campaigns that elicit emotion.

We observe a similar outcome for music. Campaigns that used a well-known piece of music were less effective at driving short-term sales. Again, music (especially well-known music) is a fantastic vehicle for eliciting emotion, which isn't as important in the short-term:



And the use of storytelling gives no significant advantage or disadvantage in the short-term. Whether informational messaging is wrapped into a story or not doesn't appear to matter when it comes to driving immediate sales:



## A recipe for advertising that converts current demand

Our data reveals a simple recipe for creating advertising that drives short-term commercial outcomes by converting the current demand in our market:

- 1 Use rational, informational messaging
- 2 Go for clarity rather than creativity
- 3 Use cost-efficient production and 'good enough' executional craft
- 4 Do without emotional tools like humour or well-known music
- 5 Target broadly
- 6 Lead with digital media and algorithmic buying
- 7 Spread across as many media as possible
- 8 Use shorter spots
- 9 On small or large screens

# Creating Future Demand

In this section we explore the commonalities of campaigns – again from both a media and creative point of view – that have driven the greatest longer-term brand and business results. These campaigns have been the most effective at creating future demand, which the brand has then converted over time.

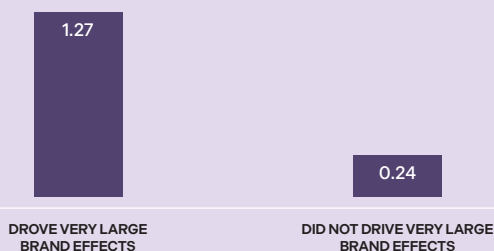
We're going to look at two sets of metrics in this section.

One is long-term commercial effects – sales, market share and profitability gains that have been measured and sustained for a period greater than six months from the start of the campaign, producing a high long-term ROI.

The other is brand effects – increases in brand awareness, consideration, preference, trust, NPS and pricing power.

What we see in our data is that campaigns that drive very large brand effects correlate very tightly with campaigns that drive very large long-term commercial effects. As other effectiveness researchers have shown, when we build our brand, the effect of doing so doesn't always show up immediately – but almost always leads to stronger long-term business performance:

**FIG 3.1 THE IMPACT OF BRAND ON LONG-TERM BUSINESS EFFECTS**  
Average number of very large **long-term** commercial effects



Overall, we find that the media and creative strategies that drive long-term growth are almost the exact inverse of those that drive short-term sales.

## 1. Media & Targeting

One of the only areas where the same principle holds true for both converting current demand and creating future demand is the choice of whether to target broadly or narrowly.

Broad targeting is much more effective for both. This makes a compelling case for reaching as broadly as our budget will allow, no matter whether we're seeing short-term sales or long-term business growth:

**FIG 3.2 TARGETING - BROAD v NARROW**  
Average number of very large **short-term** commercial effects



**FIG 3.3 TARGETING - BROAD v NARROW**  
Average number of very large **long-term** commercial effects



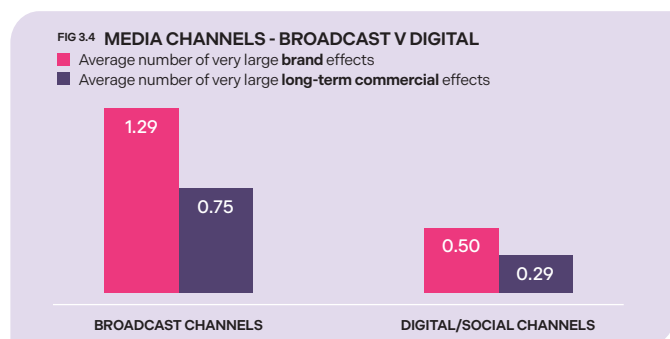
When it comes to media channels, broadcast media (TV, OOH, radio and PR) performs much better than digital or social media (paid search and social, online video and online display).

**Our definition of ‘broadcast media’ is simple – it’s media through which the content (both their own content and the content of advertisers) is seen by a lot of people, and importantly, by the same people at the same time.**

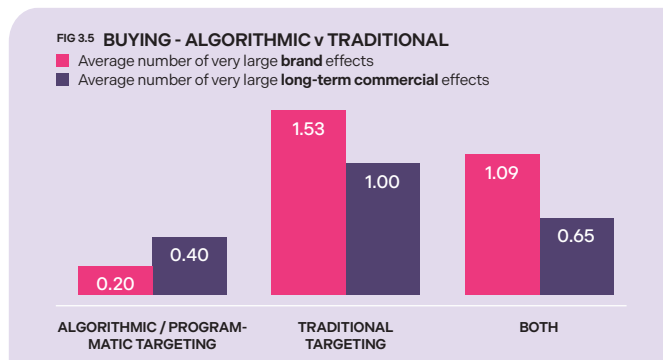
When we see an ad on TV or on a billboard, we know that lots of other people like us have also seen it. It creates a ‘shared experience’ that all viewers are aware of. Given humans are a ‘herd species’ – i.e. we like to think and do things that other people also think and do<sup>6</sup> – this has a reassuring effect. When we make a purchase decision, we have some evidence that other people will understand and approve of that choice. They’ve seen the ad we’ve seen, they understand the ‘meaning’ of the brand, and they may well be buying the brand themselves because they’ve seen the advertising that we have.

When we see an ad on a social platform, we have no idea whether anyone else like us has also seen it. Consumers innately understand that what’s being served to them is personalized. There are positive aspects to that personalization in the short-term – the algorithms are very, very good at finding people who are in the market and ready to buy right not. But the negative aspect is that the ad does not create a shared experience and therefore confers none of the reassurance to the herd that broadcast advertising does.

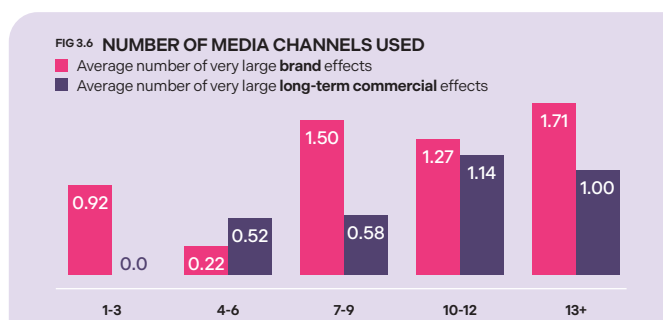
Therefore, it’s no surprise to find that leading with broadcast channels give us an enormous advantage when we’re aiming to build our brand and create long-term growth:



We also find that buying using more traditional media tools and contextual buys is much more effective than using algorithms. Digital platforms’ targeting and placement tools appear to have a significant weakness when it comes to identifying and reaching future buyers:



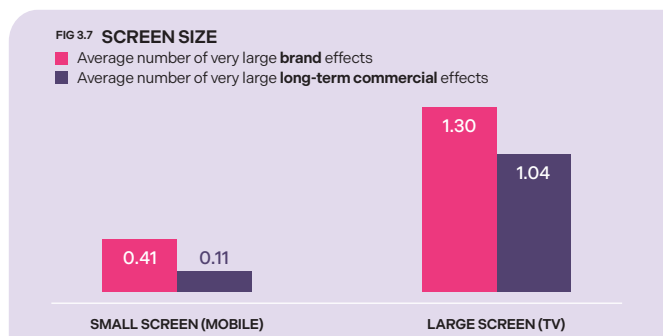
The other area where the story’s the same for both current and future demand is the number of media used. Campaigns are more effective, over both the short and long-terms, the more media channels they’re spread out across. Again, we find that campaigns using 10 or more channels are around twice as effective as those that use 6 channels or fewer:



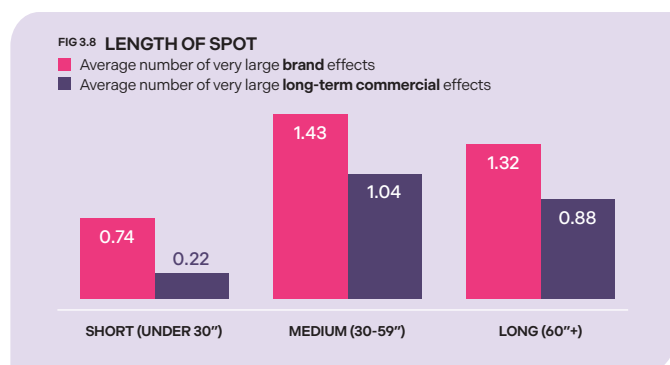
## Spot Length and Screen Size

For converting current demand, we saw that the size of the screen the ad is viewed on didn’t make a significant difference to the effectiveness of the campaign.

But for creating future demand, we find a huge difference. If we want to build our brand and drive long-term growth, large screen sizes work much harder:

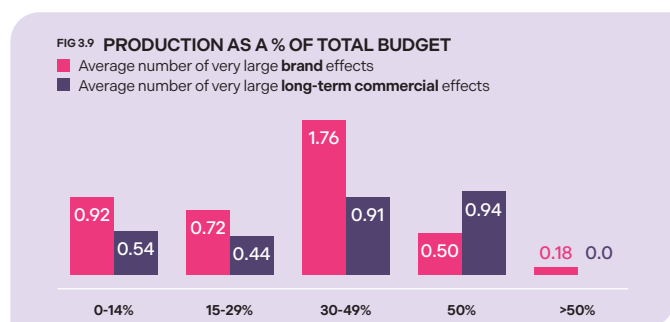


And the same goes for the length of spot we choose to lead with. We don't necessarily need to lead with 60 or 90 second ads – but leading with spots under 30 seconds puts us at a significant disadvantage:



## Media and production spend

Where short-term results were not dependent on high levels of production spend, brand building and long-term growth benefit from a higher production spend allocation. Those campaigns where production costs were between 30% and 50% of the overall (media plus production) budget were much more effective:



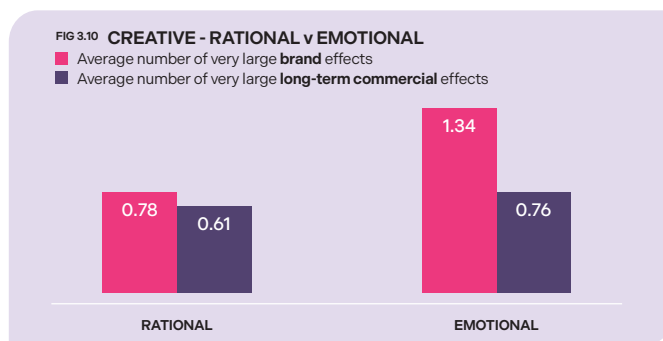
## 2. Creative Strategy

When it comes to the type of creative work we choose when we're seeking to create future demand, the evidence suggests that we should make very different choices to those we might make when seeking to convert current demand.

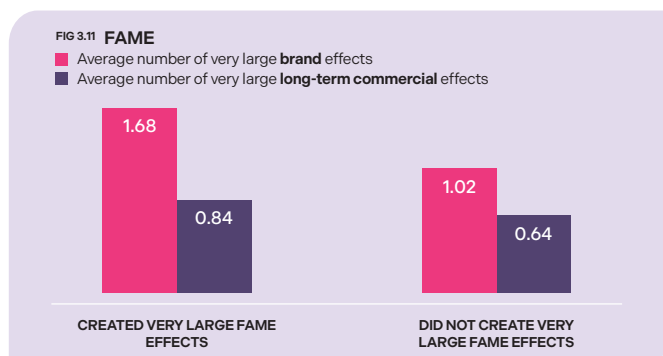
### Rational, Emotional and Fame campaigns

Emotional campaigning is significantly more effective for building brand and driving long-term business growth, suggesting that we should avoid trying

to communicate rational information at consumers, and instead prioritise engaging their emotions when we're creating future demand:

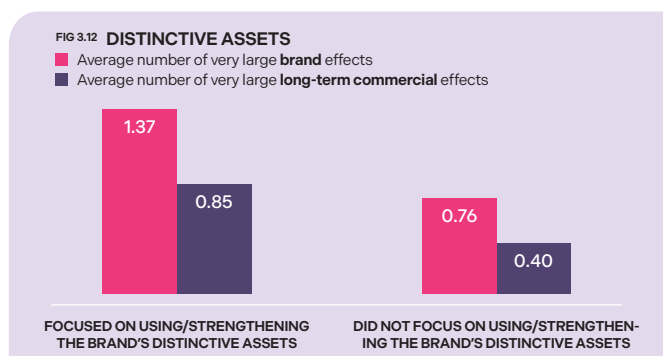


And while driving fame effects (earned media and earned impressions) gave advertisers an advantage in the short-term, it also provides a significant benefit when it comes to building brand and business over the long-term:



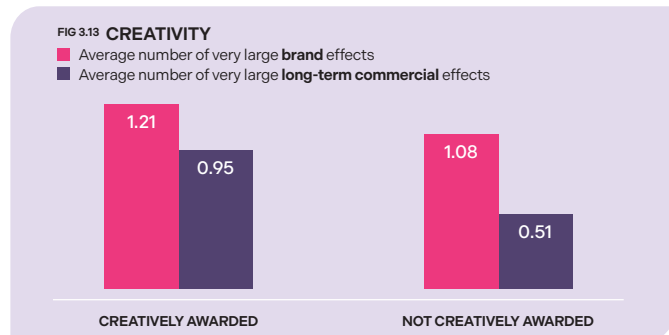
### Distinctive Assets

While the use and strengthening of a brand's distinctive assets did not appear to confer any benefit to short-term campaigns, doing so provides a very large benefit when it comes to creating future demand:

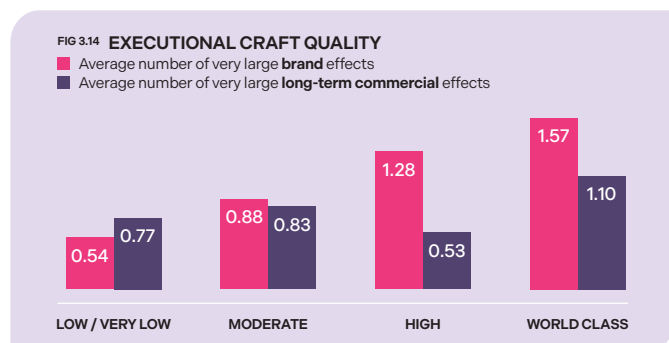


## Creativity

Earlier, we found that creatively awarded campaigns were significantly less effective at driving short-term sales. The opposite is true over the long-term. Creatively awarded campaigns are a little more effective for brand building, and almost twice as effective at driving long-term commercial results:



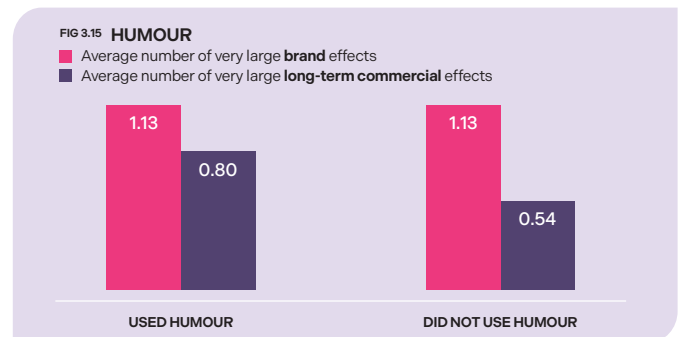
That same reversal is also true for executional craft quality. Where we can get away with poorer executional craft for converting current demand, campaigns with world-class executional craft are by far the most effective for creating future demand:



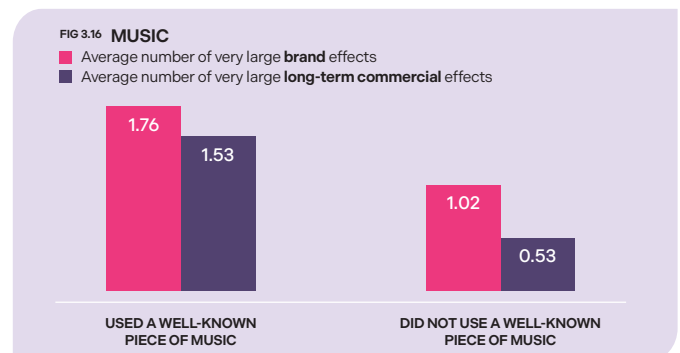
## Creative Strategies

As we've seen, connecting emotionally is the more effective strategy for creating future demand - and humour, music and storytelling are all great vehicles for doing so.

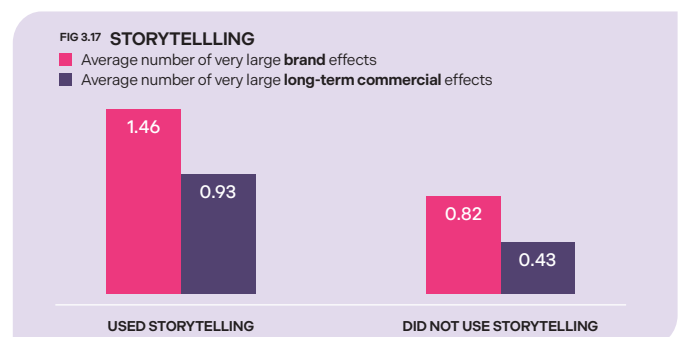
So it's no surprise to find that campaigns that used humour, while not necessarily critical for brand building, were significantly more effective at driving commercial results over the long-term:



And the use of popular, well-known music gives us a huge advantage when we're creating future demand:



And finally, while the use of storytelling yielded no significant advantage or disadvantage in the short-term, it appears to be very important to the long-term. Choosing not to communicate information and instead tell a story that captures the spirit of your brand and lands a simple message looks to provide a substantial benefit to brands creating future demand:



## A recipe for advertising that creates future demand

Our data reveals a simple recipe for creating advertising that drives long-term brand and commercial outcomes by creating future demand for our brand:

- 1 Use emotional storytelling
- 2 Choose work with creative award-winning qualities
- 3 Invest in quality production and executional craft excellence
- 4 Use emotional tools like humour or well-known music
- 5 Target broadly
- 6 Lead with broadcast media and traditional buying
- 7 Spread across as many media as possible
- 8 Use longer spots
- 9 On larger screens

## The case for bothism

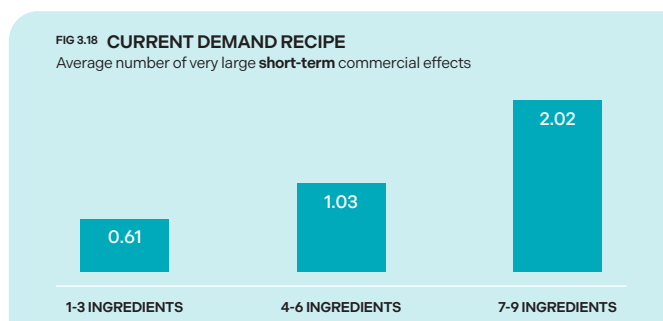
Marketing Professor Mark Ritson popularised the term 'bothism' when he wrote about marketing's camps being divided between those who favoured performance marketing and prioritised short-term results, and those who favoured brand building and prioritised longer term growth<sup>7</sup>. Ritson's point was that both are equally important. In any business, we need to convert as much of the current demand in the market as we can, *and* we need to create future demand, allowing us to grow sustainably into the future. Doing just one or other ultimately leads to poorer overall brand and business growth.

As usual, Ritson was right. We need to do both jobs. We need to do them both at the same time, and consistently over time. And we need to be good at both jobs, though they require different creative and media strategies - hence the recipes we've created showing the different mixtures of ingredients that give us an effectiveness advantage in either case.

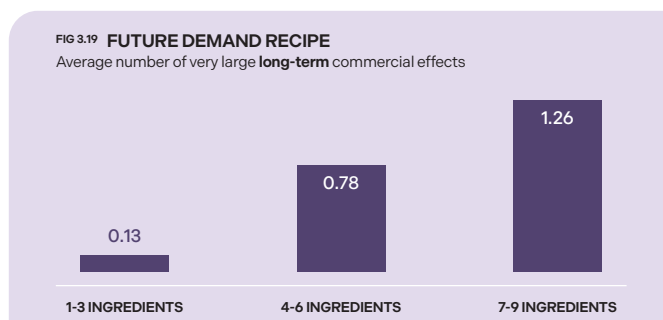
## Do these recipes really work?

To validate our recipes, we identified how many of their ingredients were used by every campaign in our database, and how each campaign performed in terms of its short-term and long-term commercial effects.

As we can see in figure 3.17, the more ingredients a campaign uses from the Current Demand Recipe, the better its ability to convert that current demand and drive short-term sales results:



And we see the same validation of our Future Demand Recipe. The more ingredients a campaign uses, the better its ability to create future demand and drive long-term brand and business growth:



## Why are the advertising styles that convert current demand and create future demand so different?

As the data suggests, the 'recipes' for driving short-term sales and supporting long-term brand and business growth are in large part mutually exclusive.

The reason for this is simple. When people are 'in the market', they're actively focused on making a choice.



In this mode, functional information about product features and benefits, about pricing, and about how to buy the product – that's all highly relevant. Consumers looking to make a decision want this information. They'll seek it out, and they'll notice advertising that delivers it to them.

Going back to the example at the beginning of the study, that small group of people who are currently looking to buy a new mobile phone will be delighted to watch or read your rational ad about the phone you're selling. They'll take in the information about its screen size and its storage and its camera specs and about all the new things the phone does. They'll click through to your web-site, and they might even act on your call to action.

But let's think about that much larger group of people who aren't interested in a new mobile phone right now. They'll almost definitely be interested at some point over the next couple of years, but for now they're not. With the myriad things going on in their busy lives, they have no interest in learning about something they're not interested in buying yet. They'll skip your rational ad or ignore it. Even more likely, they won't even notice it – their brain will just filter it out so it can focus on what's important.

If you're not in the market for a new mobile phone as you read this, think about how many mobile phone ads you can recall from the past few days. I'm going to go out on a limb and guess you can't recall any. That's not because you haven't been exposed to any – there are almost always smartphone ads in our lives. The category advertises aggressively – both the manufacturers like Apple and Samsung, and the telecommunications companies like Spark and 2degrees. So you will likely have been exposed to many, and unconsciously filtered them all out.

Paying attention to marketing for things we don't need is not something humans readily do.

Of course, there's still a way to communicate effectively with those not yet in the market. But it means two things – earning their attention, and then sticking in their memory.

**Creativity is powerful because it earns the attention of people who aren't in the market. None of us are in the market for a commercial truck, but we all watched Jean-Claude Van Damme do the splits between two Volvo trucks reversing down a highway with Enya playing in the background. There's no rational reason for us to watch that ad. We have no intention of ever**

**buying a commercial truck. But the creativity of the ad earned our attention.**

Emotion is powerful because it helps with the encoding of memories. As Maya Angelou said, *"I've learned that people will forget what you said. They'll forget what you did. But they'll never forget the way you made them feel."* We forget most facts almost immediately, but we remember most feelings for years, as has been proven by Dr Robert Heath, a professor at the University of Bath School of Management.<sup>8</sup> When we're advertising to people who aren't yet in the market, we don't want to try, in vain, to get them to 'click here' or 'buy now'. Our job is to get them to remember us when they come into our category. The best way to do that is to avoid trying to give them facts and instead trying to leave them with positive feelings.

There's been a lot of talk recently about creating 'full funnel' ads that do both brand and performance in one execution. It feels like the holy grail of advertising – one ad to do everything.

And it's fool's gold – for two reasons. The first is that we're talking to two groups of people in completely different mindsets. The second is that it's just so damn easy to create two executions within a campaign – one that's made for people in the market, just straight up giving them relevant information to help them choose us – and another that's made for people not yet in the market, earning their attention with a great creative idea and engaging their emotions with storytelling, music, humour, or anything else that makes them feel something.

Recent Google research<sup>9</sup> showed that advertisers who used one ad across the marketing funnel to try to drive awareness, consideration and purchase in one go were wildly ineffective. 50% of them didn't perform against any of those objectives. And only 10% performed against all three.

What this tells us is that it's extremely risky to try to make one ad to convert current demand and also create future demand. You will almost certainly fail.

Contrast that against the fact that it's extremely easy, within one over-arching campaign idea, to create one execution that's rational, focuses on the product and its features and benefits, for those who are in the market now. And a second that's emotional, tells an engaging story, for all the people who will come into the category later.

Do both jobs. Do them separately. Do them brilliantly. You've got the recipe. You've got this.

# Beyond Future Demand:

## Further insights into New Zealand advertising effectiveness

During our analysis, we found a group of other patterns that give us a little more insight into what works and what doesn't when we're striving for effectiveness.

### What's the better marketing metric: NPS or brand awareness?

For the past two decades, most large organisations have been obsessed with Net Promoter Score. It's seductive logic – that people's propensity to recommend us to others is a strong predictor of future growth – and it's an easy metric to measure continually with our own customers.

The concept found its way deep into boards and executive teams, and it quickly trickled down to marketing, with many marketing departments KPI'd on NPS and asked to produce advertising that helps improve NPS scores.

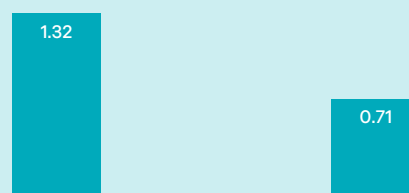
The research is divided over just how predictive NPS really is,<sup>10</sup> while there's significant evidence that brand awareness is strongly correlated with future sales performance, as we saw in the cases of TikTok and Amazon in the first section of this report. Even so, boards and executive teams pay much less heed to brand awareness than they do to NPS.

So we've looked at the relationship between brand awareness, NPS, and commercial effects. And the results are quite striking.

First we looked at the campaigns that drove a large increase in brand awareness. Those campaigns were about twice as effective at driving both short and

long-term commercial effects as campaigns that did not drive a large increase in brand awareness:

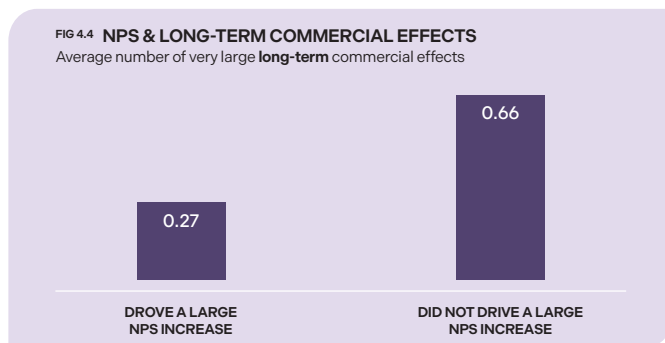
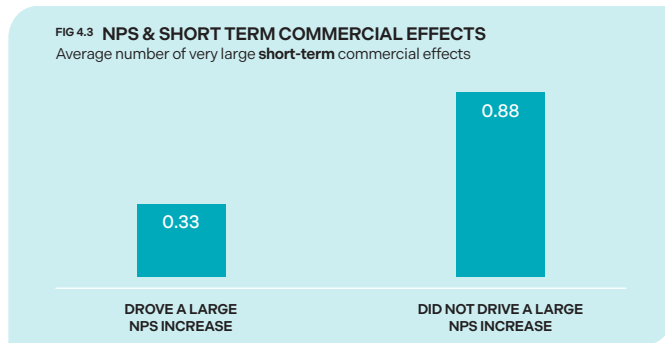
**FIG 4.1 BRAND AWARENESS & SHORT TERM COMMERCIAL EFFECTS**  
Average number of very large **short-term** commercial effects



**FIG 4.2 BRAND AWARENESS & LONG-TERM COMMERCIAL EFFECTS**  
Average number of very large **long-term** commercial effects



Then we looked at the campaigns that drove a large increase in NPS. Those campaigns did not appear to do much at all for the business. They led to well under half the commercial effects of campaigns that *did not* drive a large NPS increase:



*NB: due to low numbers, we grouped campaigns that drove a 'large' or a 'very large' increase in NPS for this analysis.*

This finding suggests we should question the wisdom of using advertising to improve NPS.

For one, NPS is very difficult to move with advertising, as when a business's customers take NPS surveys, they're reflecting on their experience with the product and service experience, not the brand's advertising.

Plus, as we've shown here, there's reason to believe that even if we do drive a meaningful NPS improvement, it doesn't have nearly as much impact on the business as if we focused on driving brand awareness.

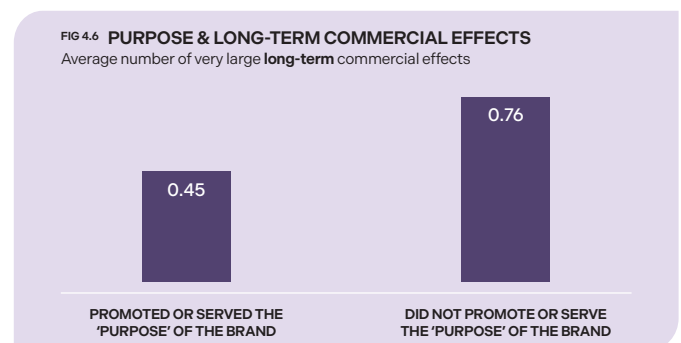
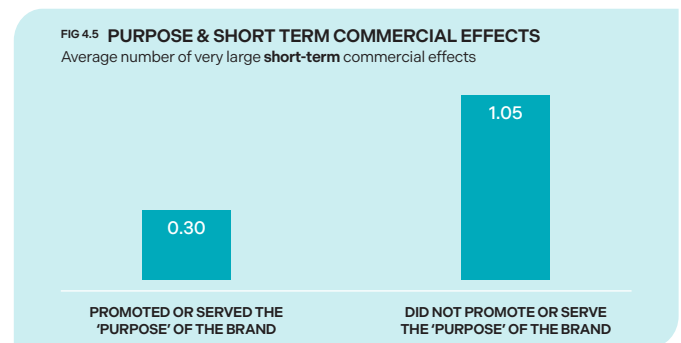
**Our strong recommendation is that marketers are KPI'd on brand awareness as the key predictive metric, not NPS.**

## Is it time to say goodbye to purpose?

Despite the unquestionable successes of Dove's *Campaign for Real Beauty* or Patagonia's *Don't Buy This Jacket*, many researchers and commentators have questioned the ad nauseam use of purpose as a core brand or creative strategy.

Our data supports the critique that, while purpose can be effective, it's generally not.

Campaigns that promoted or served the 'purpose' of a business fared much worse across both the conversion of current demand and the creation of future demand:



**Our advice is to tread carefully with purpose – the idea that having or communicating a purpose is a marketing 'must-have' is plainly fallacious. At best, it's one of many potential strategic directions for a brand.**

**Choose purpose not as a default, but in cases where there's evidence that it's genuinely the most effective strategic option.**

## Should we focus advertising on loyalty or penetration?

One of the core myths busted in *How Brands Grow* was the idea that brands succeed by making heavy buyers more loyal.

As Ehrenberg-Bass showed, loyalty rates are weakly influenced by marketing. They're more a factor of the dynamics of the category. Brands in the banking category all share a similar loyalty profile (very high loyalty and low defection rates, because moving banks is an extremely arduous process). The same goes for brands in the automotive category (middling loyalty and defection rates, because changing brands when you buy a new car is very easy). And for brands in grocery retail (very high loyalty until a customer moves house to a location with a different brand of grocery store in the neighbourhood, when they normally become completely disloyal to the old store and completely loyal to the new one).

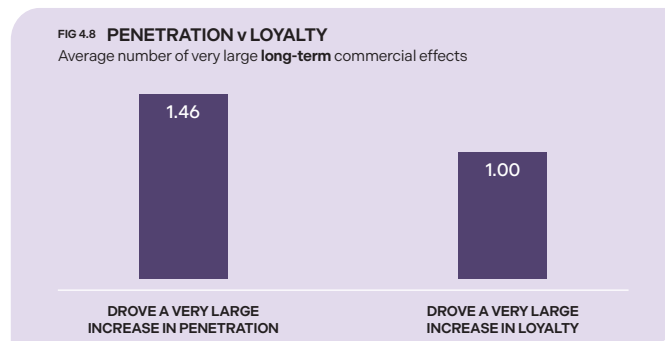
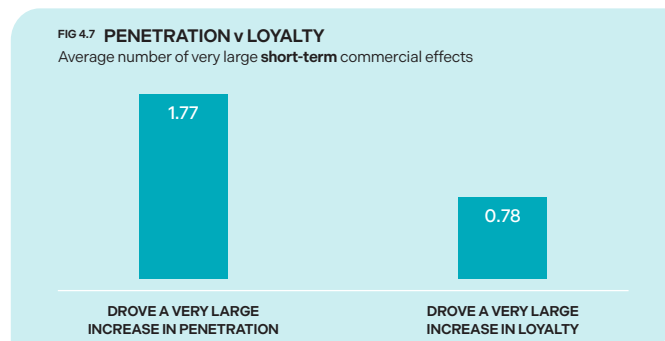
They also showed that, uniformly across categories, the large brands in the category have better rates of loyalty, and the small brands have worse.

Loyalty is primarily governed by the category you're in and how big your brand is in your category, and not by the quality of your loyalty programme or advertising.

And even in cases where we do manage to improve loyalty metrics, this doesn't tend to lead to significant growth for the business.

Conversely, increasing penetration (i.e. attracting new customers to the brand), is much more likely to lead to business growth – and can be much more easily achieved with advertising.

Our data supports this view. We found that campaigns that drove large increases in penetration were significantly more effective over both the short and long-term than campaigns that drove large increases in loyalty:



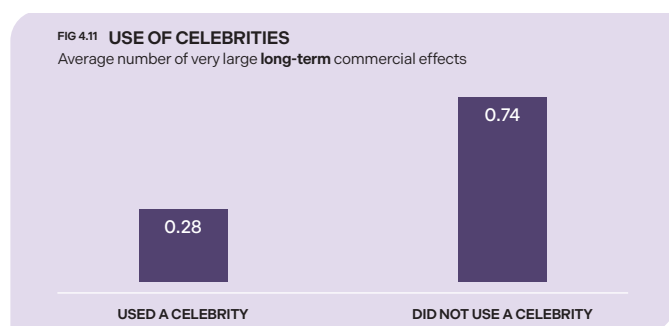
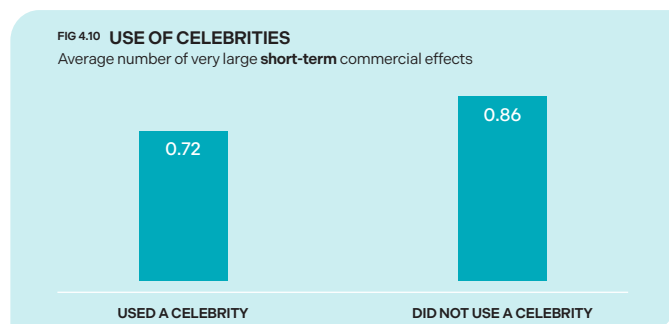
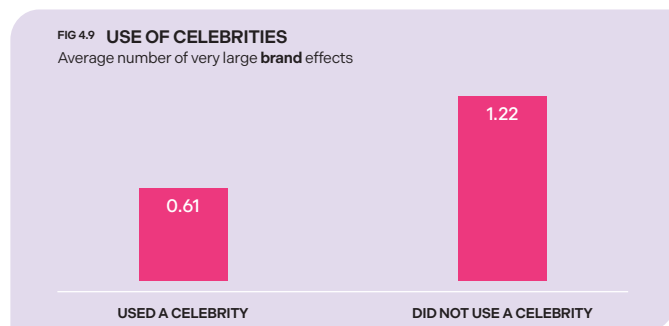
This finding aligns with our previous analysis of NPS and brand awareness. NPS is fundamentally a loyalty metric which measures customer satisfaction or delight. Brand awareness is fundamentally a penetration metric which measures the amount of potential new customers in your pool of future demand. So it's unsurprising that NPS is a poorer predictor of growth.

Our advice is to focus efforts to improve loyalty on making our product, service or customer experience better, rather than on using advertising to improve loyalty when a penetration-focused approach is much more likely to lead to high commercial performance.

## Should we invest in a celebrity or create our own?

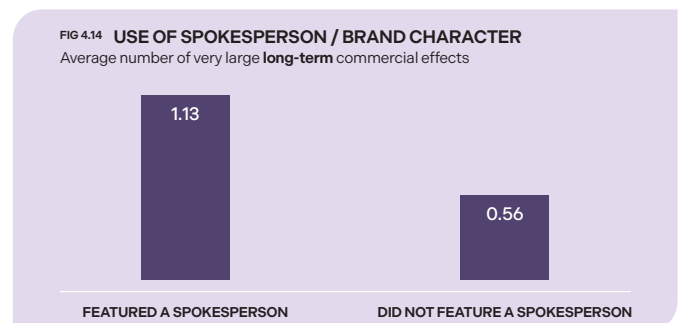
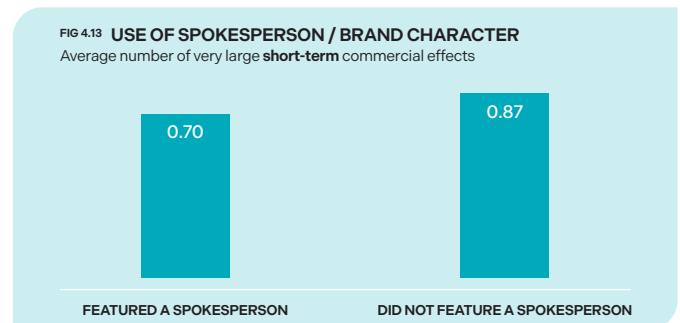
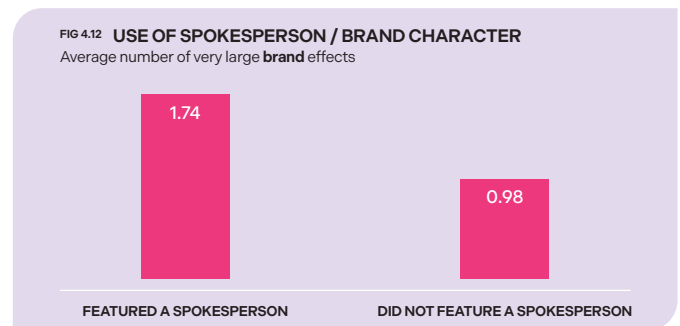
Investing in a famous face to front our campaign often feels like a safe bet. With them, we're buying an audience of their fans or those who recognize them, and we get to benefit from the trust that using a celebrity is supposed to confer.

Our data questions this logic. Campaigns that featured a celebrity were much less effective at building brand, slightly less effective in the short-term, and much less effective over the long-term – suggesting that we're unlikely to see a big return from investing in high-profile talent:



On the other hand, creating a famous face of our own – a character that we use over and over as the spokesperson (or people) for our brand – looks to be much more effective. While slightly less effective for converting current demand, featuring spokespeople

like Turners' Tina or ASB's Ben and Amy provides a significant benefit in terms of building brand and future demand, and driving long-term growth:



Our advice is to consider creating your own celebrity by developing a character or brand mascot that reappears in your advertising campaigns consistently over time.

System1's Orlando Wood calls these 'fluent devices' – *"situations and characters which can be recognised immediately by the viewer, making recognition faster and delivering positive emotion more quickly. A great Fluent Device can make the viewer happy quickly by showing them characters they already know and like."*

Again, this is not a hard law – many campaigns succeed without having a long-term spokesperson – but the data suggests that it's an effective creative strategy where relevant and executed in a way that consumers enjoy.

# Conclusions

With 116 for-profit cases in the Aotearoa Effectiveness Database, we are at the beginning of a long journey of understanding of how advertising works in the New Zealand market.

At this point, we have some strong emerging evidence that the principles discovered in the IPAs *The Long and Short of It*, and the Ehrenberg-Bass Institute's *How Brands Grow* do indeed hold true in Aotearoa New Zealand.

Plus, there's strong evidence that these principles are enduring. The patterns we've found in our data from 2022-2024 closely match the patterns found by the IPA and Ehrenberg-Bass using data spanning the 1990's and 2000's.

There is no evidence that New Zealand is a 'special' market with different rules, albeit we are a smaller market with smaller budgets. There's also no evidence that the emergence of digital platforms and performance marketing have rendered these principles obsolete. The way advertising works today is the same as it worked thirty years ago. And will most likely be the way it still works thirty years from now.

The principle of future demand has proven an easy one for both marketers and non-marketers to understand. Given that half the challenge in marketing is getting the buy-in of non-marketing stakeholders – who often have strong but ill-informed views about how marketing and advertising works – we believe that strengthening the evidence base for future demand is a useful thing to do.

Even more important is the sharing of that evidence base with New Zealand marketers, so they may in turn share it with their internal stakeholders to build their case for investing in advertising that contributes to sustainable long-term growth for their businesses, while also driving efficient near-term sales.

We hope you'll use this report in that way – and we look forward to sharing further insights from the Aotearoa Effectiveness Database as our set of cases grows.



# References

- 1 Ehrenberg-Bass Professor John Dawes proposed the '95/5 Rule' during his work with the LinkedIn B2B Institute. It surmises that around 5% of buyers are in the category during any given quarter. You can read about it here:  
  
[business.linkedin.com/marketing-solutions/b2b-institute/b2b-research/trends/95-5-rule](https://business.linkedin.com/marketing-solutions/b2b-institute/b2b-research/trends/95-5-rule)
- 2 Learn more about Tracksuit and TikTok's study *The Awareness Advantage* here:  
  
[gotracksuit.com/au/the-awareness-advantage-report](https://gotracksuit.com/au/the-awareness-advantage-report)
- 3 There's no correlation between click-through rate and sales. Read all about that here:  
  
[warc.com/newsandopinion/opinion/click-through-rate-is-well-past-its-sell-by-date/en-gb/2993](https://warc.com/newsandopinion/opinion/click-through-rate-is-well-past-its-sell-by-date/en-gb/2993)
- 4 Learn more about Tracksuit and WARC's analysis of Growth Efficiency, using Amazon performance data, here:  
  
[warc.com/content/paywall/article/WARC-Exclusive/Growth\\_efficiency\\_Marketings\\_existential\\_metric/en-GB/153086](https://warc.com/content/paywall/article/WARC-Exclusive/Growth_efficiency_Marketings_existential_metric/en-GB/153086)
- 5 *The Case for Creativity* summarises the many independent studies correlating creativity and creative award winning campaigns with commercial success. Learn more here:  
  
[thecaseforcreativity.com](https://thecaseforcreativity.com)
- 6 *Herd: How to Change Mass Behaviour by Harnessing Our True Nature* by Mark Earls (2009)
- 7 Professor Mark Ritson writes that '*Bothism*' is the cure for marketers' fascination with pointless conflict here:  
  
<https://www.marketingweek.com/ritson-bothism-cure-marketers-fascination-conflict/>
- 8 Read more about Dr Robert Heath and his research into memory and emotion here:  
  
[nielsen.com/insights/2015/uncommon-sense-the-emotive-power-of-marketing/](https://nielsen.com/insights/2015/uncommon-sense-the-emotive-power-of-marketing/)
- 9 Google Brand Lift Survey 2.0 meta analysis, Global, April 2019 ~ Nov 2022. Data from 5,718 videos from 691 advertisers. Videos tested for 3 marketing objectives (Upper Funnel (Awareness or Recall), Middle Funnel (Consideration), Lower Funnel (Purchase Intent)).
- 10 Proponents of NPS tout its ability to predict future sales growth. Marketing academics are much more skeptical. Hear them out here:  
  
[link.springer.com/article/10.1007/s11747-021-00790-2](https://link.springer.com/article/10.1007/s11747-021-00790-2)

# About The Commercial Communications Council



**Commercial  
Communications  
Council**

The Commercial Communications Council (AKA The Comms Council), is the peak industry body for advertising, media and consumer PR agencies and professionals in Aotearoa New Zealand.

We exist to lift the reputation, influence and impact of our members, supporting the impact on business success enabled by advertising and communications.

The Comms Council runs numerous awards programmes, including Effie Awards Aotearoa, Axis and the Beacon awards. We are also the Cannes Lions official representatives in New Zealand. We run training and development programmes for advertising professionals supporting ongoing learning, provide recruitment for entry-level talent from all backgrounds, and drive industry de-carbonisation through the Ad Net Zero programme.

This report is possible through analysis of the Comms Council Aotearoa Effectiveness Database, an ongoing resource for data drawn from New Zealand specific case studies of effectiveness advertising case studies.

[commscouncil.nz](https://commscouncil.nz)

# About Tracksuit

## Tracksuit

Tracksuit is an always-on dashboard that enables any company to track the strength of their brand, compare against competitors' brands and get valuable advice on what the numbers mean and what to do next – all for a fraction of the price of traditional brand tracking.

We see a world where brand marketers are elevated in their status and don't need to spend so much time justifying themselves to skeptical stakeholders. A world with less bad ads. Where imaginative, thoughtful and meaningful brand marketing is more commonplace than intrusive, irritating and ineffective promotion.

Tracksuit gives brand building a seat at the board table – and helps ambitious brands have the tools to achieve both short and long-term success, growing bigger and more sustainability.

[gotracksuit.com](https://gotracksuit.com)