### **WARC** | Creative

How creativity supercharges effectiveness

10 proof points for the power of creativity



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### **WARC** Creative

### In this report

One question we are asked repeatedly at WARC is how to make the case for creativity. It's one of the reasons we now have a WARC Creative content pillar, along with tools to help marketers continuously improve the impact of their creativity.

We often say that 'there is now plenty of research out there that proves the link between creativity and effectiveness', but what are the key studies – those classic proof points – that can help you to make that case?

In this report, we've pulled together 10 of the most commonly-cited and robust studies that demonstrate the commercial impact of creativity, all into one deck, for you to reference, pull into your own decks, and ensure that your commitment to creativity is consistent.

This 'How creativity supercharges effectiveness' report is exclusive to WARC Creative subscribers. For more information, click here.

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Chapter 1

# 10 proof points for the power of creativity



How creativity supercharges effectiveness

### Creativity has an outsized impact on sales

Originally conducted in 2017, Nielsen Catalina Solutions ran a study to identify the top advertising factors that influence incremental sales.

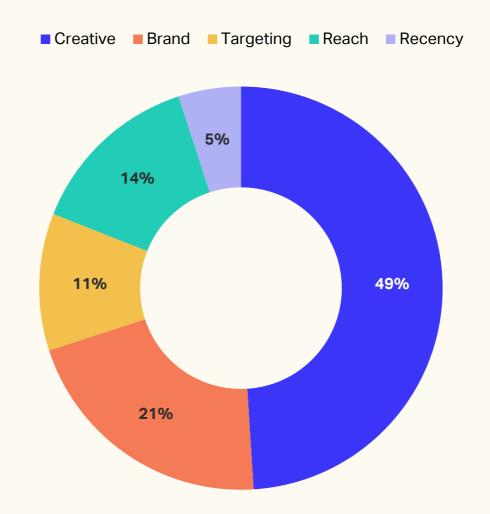
A fresh look in 2023 produced this chart, which is based on nearly 450 CPG campaigns that ran across digital and TV.

The biggest contributing factor to sales is the creative, at 49%. This is followed by brand factors, including customer loyalty, market share and brand penetration, at 21%.

Read the original study

### Percent sales contribution by advertising element

Nielsen Catalina Solutions, 2023



Note: Nearly 450 CPG campaigns across digital and TV, measuring results using NCS Sales Effect

Source: Nielsen and NCSolutions, 2023

# Creativity has an outsized impact on profit

At the start of 2023, WARC published a new piece of research with Kantar, looking at the correlation between Creative Quality and ROI.

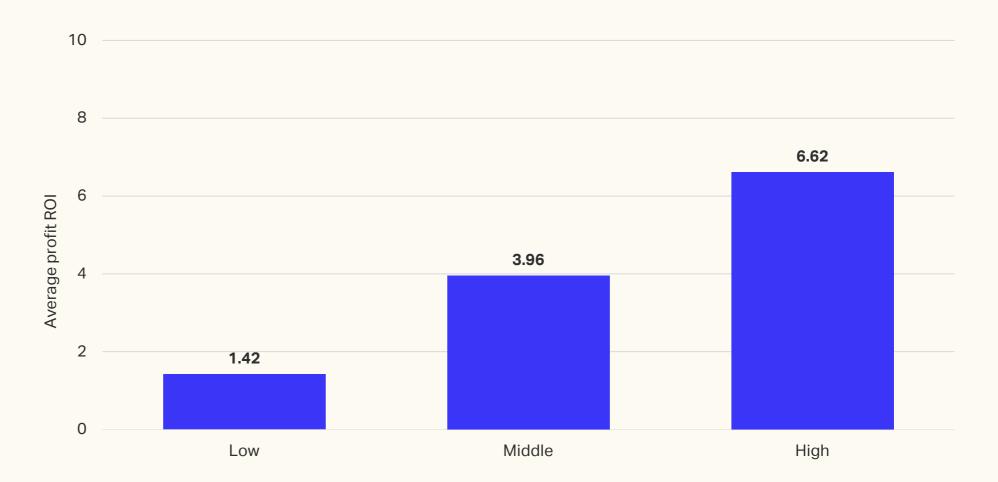
Kantar tests the effectiveness of ads, and for this study, matched their database of campaigns tested for the metric of Creative Quality with WARC's database of campaign ROI data.

We found that highly creative ads drive more than four times the profit as those with low Creative Quality.

Read the original study

### Increasing Creative Quality boosts average profit ROI

Kantar and WARC, 2023



Note: Based on 450 individual ads from 51 campaigns

Source: Kantar, WARC

# Creativity has an outsize impact on profit

In 2023, Paul Dyson made a second update to his 2006 study into the different factors that impact ROI, to help advertisers to maximise their media spend.

The 2023 update combined existing studies and over 250 IPA effectiveness papers, collectively covering >28,000 ROIs globally, and around 7,000 in the UK.

It found that brand size is the biggest driver of profitability, with a multiplier of 20. Creativity, at a multiplier of 12, is the biggest lever available, in the short term, to increase ROI.

#### Read the original study

### Top 10 drivers of advertising profitability

Paul Dyson, Kantar, Thinkbox, 2023

Rank	Factor	Profitability multiplier
1	Brand size	20
2	Creative quality	12
3	Budget setting across geographies	5
4	Budget setting across portfolio	3
5	Multimedia	2.5
6	Brand vs. performance	2
7	Budget setting across variants	1.7
8	Cost / product seasonality	1.6
9	Laydown / phasing	1.15
10	Target audience	1.1

Note: Based on <28,000 ROIs globally and ~7,000 in the UK, from a combination of published sources including the IPA. Source: Paul Dyson, Kantar, Thinkbox, 2023

# Creative Quality improves market share predictions

System1 found that the accuracy by which market share growth can be predicted nearly doubles when Creative Quality, measured by System1's 'Star rating', is considered.

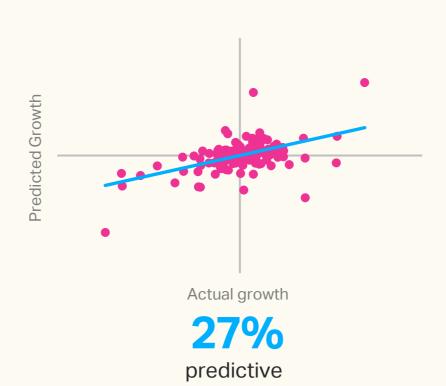
System1 concluded that since these two charts show, respectively, quantity of advertising and quantity and quality of advertising combined, then the difference between them must be the value of creativity as measured by emotional response.

### Annual value share gain predictions vs. actual growth

System 1, 2021

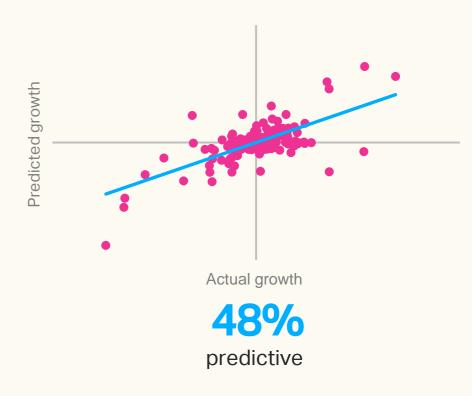
### Media Only

Traditional ESOV model | R<sup>2</sup>=0.27



### **Media & Creative**

Star Rating & ESOV model | R<sup>2</sup>=0.48



**Note:** Annual market share predictions for US and UK brands spanning 32 category/country combinations. Analysis of over 4,000 ads, spanning 264 brands with over \$0.5 trillion in revenue and over \$10 billion in media spend.

**Source:** System 1 (See Look out, by Orlando Wood, IPA 2021, for further details)

### **Creativity boosts** market share

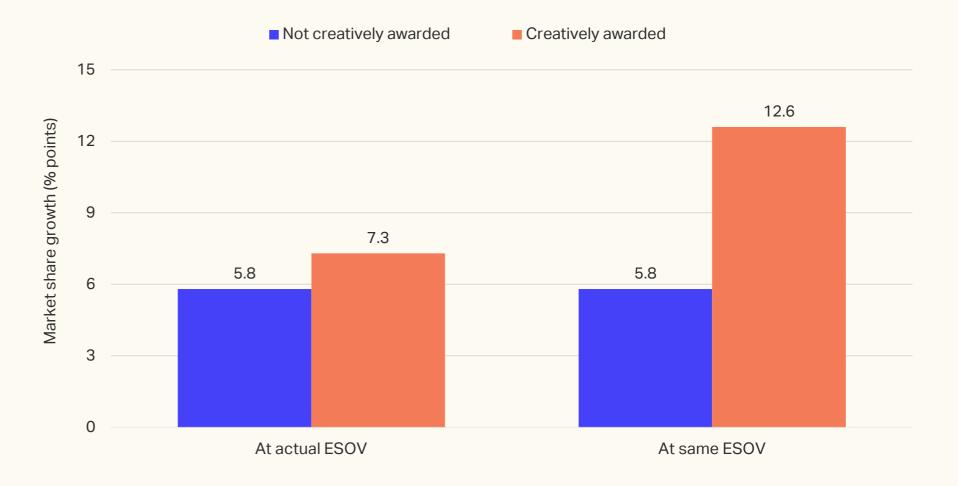
Excess share of voice (ESOV) has been widely validated as a key driver of effectiveness – if it is positive then brands tend to grow and if negative, they shrink.

In 2011, Peter Field grouped IPA award entrants into those that had won major creative awards and those that hadn't. The noncreative group enjoyed on average nine percentage points more 'excess share of voice' (ESOV) than the creative group, giving them huge potential advantage in terms of expected business results. They did not realise this advantage – the creative group out-achieved them across all business effects.

### Read the original study

### Market share growth against excess share of voice

Peter Field, Market Leader, 2011



Note: Analysis based on IPA for-profit campaign case studies submitted 2000 – 2011, non creative award winners n=170, creative award winners n=40 Source: Peter Field, Market Leader via WARC, 2011

## High creativity drives 2.4x income growth

Brands with high Creative Capital deliver better business outcomes in terms of financial performance, and customer advocacy, according to a study from WPP and BAV.

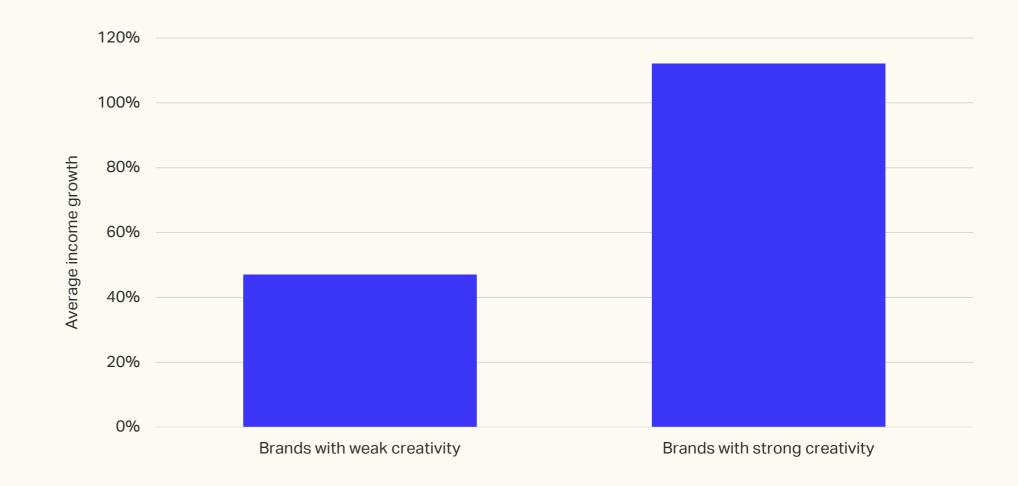
Looking at an array of brands over seven years, the study found 2.4x income growth among brands with high creativity, regardless of their size or level of influence.

However, brands with both high creativity and high influence outperform brands with only one of these attributes across financial metrics.

#### Read the original study

### Average income growth in weak and strong brands

Creative Capital, WPP and BAV, 2023



Source: Creative Capital, WPP & BAV, 2023

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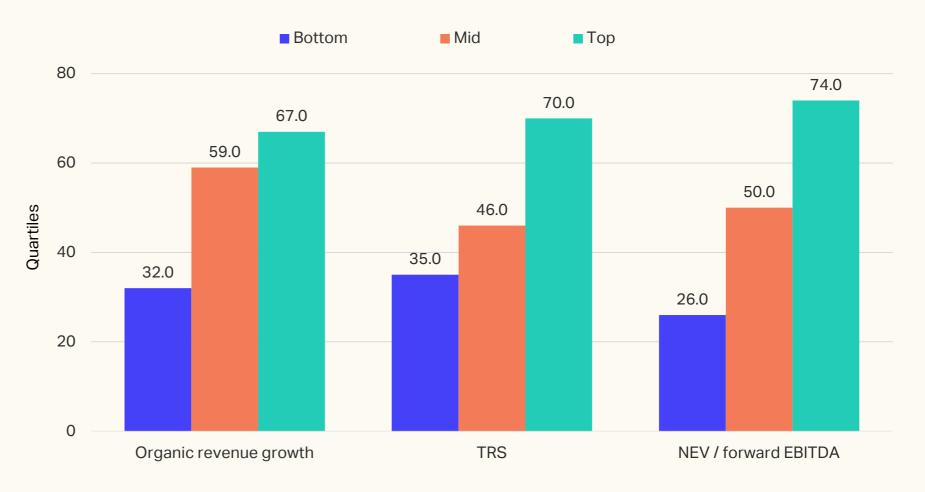
# Companies that excel in creativity outperform rivals

LIONS partnered with McKinsey to create a study which demonstrated a clear link between winning a Lion for best-in-class creative work and positive financial results.

The Awards Creativity Score Index gave a score to a brand based on the quality of their creativity, and when McKinsey looked at the financial results of companies whose ACS scores were in the top quartile, they found that these companies outperformed their peers in organic revenue growth and shareholder returns.

### Likelihood that creativity score quartile has above-average financial performance

LIONS & McKinsey & Partners, 2019



Note: Using only companies with creativity score >0, combining the two middle quartiles Source: Team Analysis, McKinsey & Company, 2019

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### Creative quality boosts media efficiencies

In 2021, Creative X published a study that analysed one million digital ads, representing one trillion impressions and a \$1bn media spend.

It married performance data from these ads with Creative X's metric of Creative Quality Score, which measures adherence to best practices for image and video content.

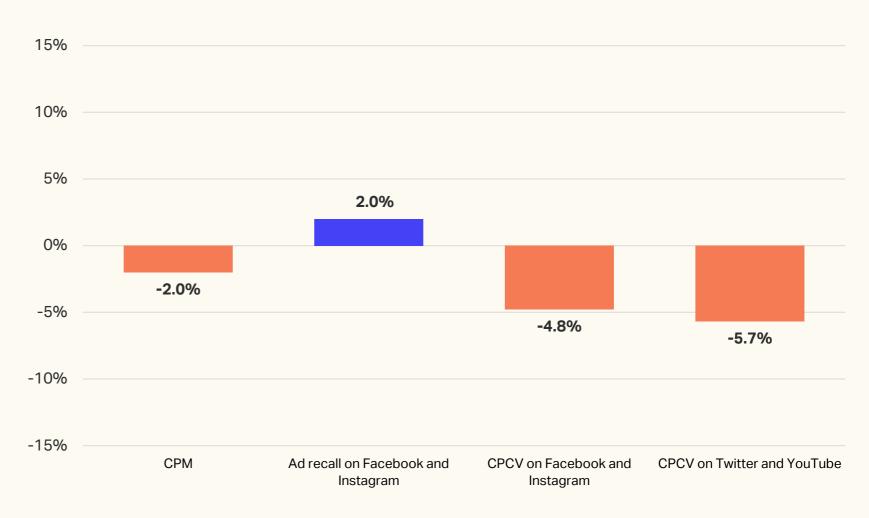
The study identified that a 10% increase in CQS resulted in:

- a 2% decrease in CPM
- a 2% increase in ad recall
- decreases in CPCV on social platforms

#### Read the original study

### Impact of a 10% increase in Creative Quality Score

Creative X, 2021



Note: Analysis of 1 million digital ads within CPG, beauty and alcohol brands

Source: Creative X

# Emotional campaigns are more effective in every way

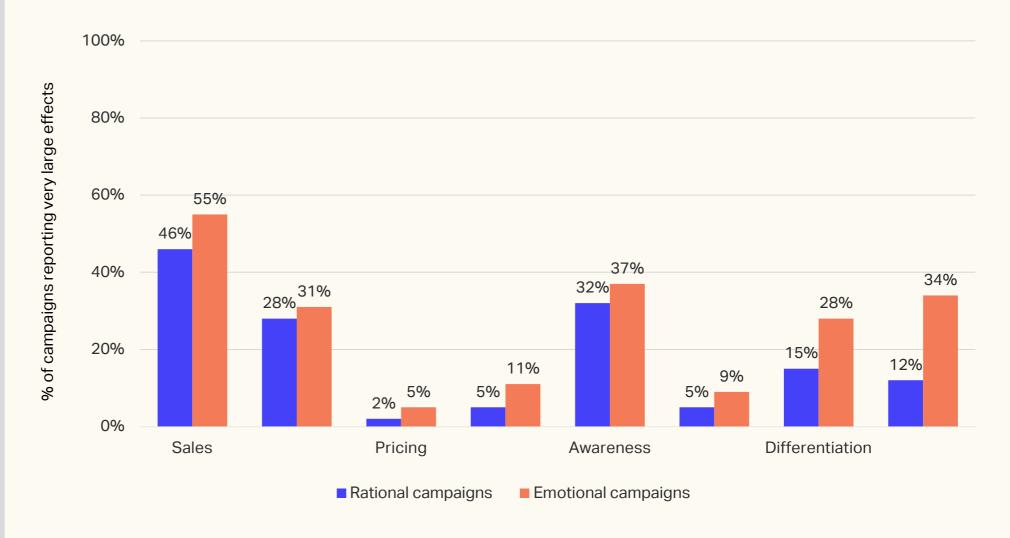
Published in 'Advertising Effectiveness: the long and short of it', this chart is based on an analysis of IPA case studies which looked to support the assertion that emotion drives effectiveness.

The cases were split into two groups: rational campaigns and emotional campaigns, and the chart shows the proportion reporting very large effects in each of the effectiveness metrics shown. Across the board, emotional campaigns are more effective.

#### Read the original study

### Percentage of cases reporting very large effects

Les Binet and Peter Field, IPA, 2012



Source: Les Binet and Peter Field, The Long and Short of It, IPA

### Award-winning ads deliver strong brand attention

In this 2023 study, Ipsos used its Creative|Spark assessment tool to learn how high levels of creativity impact effectiveness.

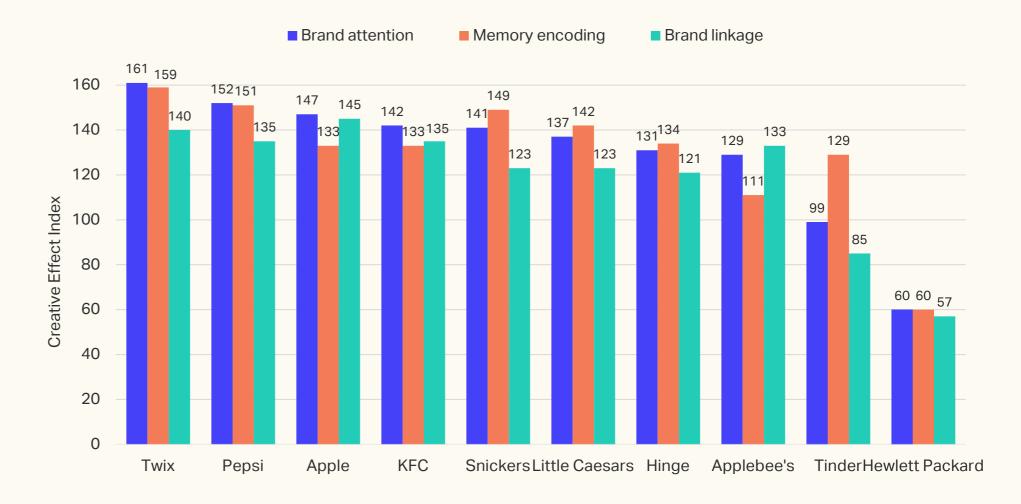
It found that the 10 award-winning ads tested delivered strong brand attention, illustrating a creative focus on engagement and memory-making.

The study also found that though there was some inconsistency in driving business impact, awardwinning ads were, on average, 29% more effective on shortterm sales lift potential, and 11% more impactful at long-term brand building.

### Read the original study

### Brand attention in award-winning ads

lpsos, 2023



Note: Ads testing with Ipsos' Creative|Spark solution, n=150, US Men & Women, 18-65

Source: Ipsos, Creative Spark, 2023

### More from WARC Creative

### <u>Creativity with impact</u> series:

- Blending data and creativity
- Harnessing culture and context
- Harnessing the scope of emotion
- Combining creativity and media

### **WARC Rankings 2023:**

- Creative 100: Summary of results 2023
- Media 100: Summary of results 2023
- Effective 100: Summary of results 2023
- Lessons from the Effective 100

### **Other reports:**

- <u>Creative Effectiveness</u> <u>Lions 2023: Insights</u> from the winners
- <u>Do stronger</u>
   relationships produce
   stronger results?
- Creative Quality
- The health of creativity



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