

# Definitive Marketing Resources & Key Performance Indicators



**A glossary of definitive marketing resources and key performance indicator terms from top marketing leaders, educators and authors to help simplify the industry's complex ecosystem.**

**Activation Effects<sup>i</sup>** - The more mental energy people put into the buying decision, the easier it is to elicit an immediate response from them. Expect high response rates to direct marketing, promotions, and other forms of performance marketing when consumers are actively involved in the purchase decision.

**Attention<sup>ii</sup>** - Clearly related to sales – with low-attention processing yielding greater value than is often assumed.

**Brand Assets** - Distinctive brand assets are non-brand name elements such as celebrities, characters, colors, shapes, and sounds that people associate with your brand.

**Brand Effects<sup>iii</sup>** - Also bigger for highly considered purchases, but the difference is less marked. This means that as consideration increases the mix of brand and activation effects changes. For low-consideration purchases, brand effects dominate. But as consideration increases, activation effects become more important.

**Brand Recall / Sales<sup>iv</sup>** - Even though brands differentiate themselves, in reality consumers still react (and buy) within a repertoire (as if there were no differences). Indeed, distinctivity is more important than differentiation – as it helps drive saliency.

**Brand Salience** - Top of mind awareness, the proportion of consumers for whom a certain brand comes to mind first when they are thinking about your category. It is the brand's propensity to be noticed or come to mind in buying situations.

**Brand Truth<sup>v</sup>** - In case of the brand truth, this often lies either in the circumstances and reasons for the original creation of the brand or in building from one of the brand's unique equities.

**Category Entry Points (CEP)<sup>vi</sup>** - The why, when, where, 'with whom' and 'with what' of category purchase

**Consideration** - High levels of consideration boost effectiveness and efficiency on every single metric

**Duplication of Purchases Law<sup>vii</sup>** - All brands, within a category, share their customer base with other brands in line with the size of those other brands.

**Effectiveness<sup>viii</sup>** - Closely related to how much of an ad is viewable and for how long, but other factors may be equally important. Clear branding moments, such as showing a brand's logo, increase audiences' attention.

**Effectiveness** - Scale of effect – measured in whatever terms are relevant to the context.

**Efficiency** – A measure of what is achieved per unit of investment made

**Emotional campaigns** - Produce considerably more powerful long-term business effects than rational persuasion campaigns.

**Emotional vs. Rational Consideration** - Marketing tends to be most effective when people are highly engaged, at either a rational or an emotional level.

**Excess Share of Voice (ESOV)<sup>ix</sup>** - The more a brand spends on advertising versus its rivals, the more it will grow. If a brand has a 20 per cent share of the market but a 30 per cent share of the voice, it has an excess, an ESOV, of +10.



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- A 60%/40% budget split between brand and activation coincides with peak effectiveness and efficiency for a campaign.
- At a 60%/40% split, brand experiences very large effects - metrics like profit, sales, market share, penetration, loyalty, and price sensitivity.

**Extra Share of Voice (ESOV)<sup>x</sup>** - Defined as share of voice (SOV) minus share of market (SOM). Comparing the annual growth rate of SOM against ESOV gives a measure of efficiency that is more easily compared across categories, allowing robust analysis.

**Famous** - Most, if not all consumers should know the element represents the brand name.

**Law of Buyer Moderation<sup>xi</sup>** - Regression to the mean of purchase behavior over time; heavier users become lighter, lighter users become heavier buyers, and non-buyers begin to buy the brand.

**Mental Market Share<sup>xii</sup>** - A brand's % of CEP (category entry points) associations of total CEP associations for the category.

**Mental Penetration<sup>xiii</sup>** - % of category buyers that link your brand to at least one CEP.

**Network Size<sup>xiv</sup>** - How many CEPs your brand is linked to in the minds of category buyers who are aware of your brand.

**Penetration** - High-share brands enjoy higher penetration (have more buyers) than low-share brands. The buyer of high-share brands buy them more often than the buyers of low-share brands. Growth primarily comes from gaining new users (penetration) rather than driving increased loyalty.

**Presence** - Refers to being in present for category buyers in a broad range of buying situations

**Product truth<sup>xv</sup>** - The other kind of rock on which it build is obviously a product truth – some dimension of product performance. Knowing that our brand is different – better than the establishment brand we are taking or in some key dimension – affects not simply our own performance and attitude, but the relationship with our customers. Brand leaders operate a “just enough” strategy.

**Prominence** - A relative presence, in terms of noticeability, compared to your competitors.

**Rational campaigns** - Produce more powerful short-term sales effects and so are very seductive to organizations focused primarily on short-term results. They will not deliver maximum long-term success, however.

- In general, emotional metrics are more likely to predict long-term success, whilst rational metrics are more likely to predict short-term success

**Relevance** – Is about context, about being present and prominent in category buying situations.

**Return on Marketing Investment (ROMI)<sup>xvi</sup>** - A good measure of efficiency but is dependent on the profitability of the category. Low availability of ROMI data means sample sizes are too small to allow statistical analysis using ROMI here.

**Sales Impact<sup>xvii</sup>** - Uplift in sales impact is significant when viewers shift from a pre-attentive state to low attention.

**Share of Market** - Once you reach a certain size as a brand – 20% - you start to have to spend proportionately much less to increase your share of market.

**Share of Voice** – A brand's share of the total value of the main exposure in the product category.

**Share of Search (SOS)<sup>xviii</sup>** - Measure how many people are searching online for different brands in a category.



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**STAS (Short Time Advertising Strength)<sup>xxix</sup>** - The relationship between visual attention and incremental brand choice. STAS incorporates a market share baseline and measures sales uplift over normal market performance.

**The Double Jeopardy Law<sup>xx</sup>** - Brands with smaller market shares have fewer buyers, who are also less loyal (loyalty declines with market share).

**Top-of-mind awareness (TOMA)<sup>xxi</sup>** - Is defined as being the first brand that comes to mind when a customer is asked an unprompted question about a category.

**Unique** - The element evokes the brand, and not competitors.

**Very large business effects<sup>xxii</sup>** - The average number of very large business effects is a good measure of effectiveness and allows robust statistical analysis.

**Very large profit gains<sup>xxiii</sup>** - The percentage of cases reporting very large profit gains is the best measure of effectiveness, but sample sizes are not always large enough for robust analysis.

**Viewability<sup>xxiv</sup>** - An ad that is not seen is worthless, but the way we see advertising and how that impacts effectiveness is nuanced. Also, partially seen ads are able to boost sales. Hence reducing ad-avoidance may be more important to advertisers than maximizing full-on attention.

## Effectiveness: Terms in context of brand building



## Marketing Effectiveness: Terms in the Digital Era



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- <sup>i</sup> Binet, Les, and Peter Field. *Effectiveness in Context: a Manual for Brand Building*. Institute of Practitioners in Advertising, 2018.
- <sup>ii</sup> Nelson-Field, Karen. *The Attention Economy: Exploring the opportunity for a new advertising currency*. Dentsu Aegis Network, June 2019
- <sup>iii</sup> Binet, Les, and Peter Field. *Effectiveness in Context: a Manual for Brand Building*. Institute of Practitioners in Advertising, 2018.
- <sup>iv</sup> Sharp, Byron. *How Brands Grow: What Marketers Don't Know*. Oxford University Press, 2010.
- <sup>v</sup> Morgan, Adam. *Eating the Big Fish: How Challenger Brands Can Compete Against Brand Leader*. John Wiley & Sons, 2009.
- <sup>vi</sup> Romaniuk, Jenni, and Byron Sharp. *How Brands Grow: Part 2: Emerging Markets, Services, Durables, New and Luxury Brands*. Oxford University Press, 2016.
- <sup>vii</sup> Sharp, Byron. *How Brands Grow: What Marketers Don't Know*. Oxford University Press, 2010.
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- <sup>ix</sup> Ritson, Mark. "If you're in marketing, now is a time to spend, not bend." *The Australian Business Review*, April 6, 2020
- <sup>x</sup> Binet, Les, and Peter Field. *The Long and the Short of It: Balancing Short and Long-Term Marketing Strategies*. Institute of Practitioners in Advertising, 2013.
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- <sup>xii</sup> Romaniuk, Jenni, and Byron Sharp. *How Brands Grow: Part 2: Emerging Markets, Services, Durables, New and Luxury Brands*. Oxford University Press, 2016.
- <sup>xiii</sup> Romaniuk, Jenni, and Byron Sharp. *How Brands Grow: Part 2: Emerging Markets, Services, Durables, New and Luxury Brands*. Oxford University Press, 2016.
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- <sup>xvi</sup> Binet, Les, and Peter Field. *The Long and the Short of It: Balancing Short and Long-Term Marketing Strategies*. Institute of Practitioners in Advertising, 2013.
- <sup>xvii</sup> Nelson-Field, Karen. *The Attention Economy: Exploring the opportunity for a new advertising currency*. Dentsu Aegis Network, June 2019
- <sup>xviii</sup> Ritson, Mark. "Mark Ritson: It's Time for 'Share of Search' to Replace 'Share of Voice'." *Marketing Week*, 28 Sept. 2020
- <sup>xix</sup> Nelson-Field, Karen. *The Attention Economy: Exploring the opportunity for a new advertising currency*. Dentsu Aegis Network, June 2019
- <sup>xx</sup> Sharp, Byron. *How Brands Grow: What Marketers Don't Know*. Oxford University Press, 2010.
- <sup>xxi</sup> Stewart, David, and Craig Gugel. *Accountable Marketing: Linking Marketing Actions to Financial Performance*. Routledge, 2016.
- <sup>xxii</sup> Binet, Les, and Peter Field. *The Long and the Short of It: Balancing Short and Long-Term Marketing Strategies*. Institute of Practitioners in Advertising, 2013.
- <sup>xxiii</sup> Binet, Les, and Peter Field. *The Long and the Short of It: Balancing Short and Long-Term Marketing Strategies*. Institute of Practitioners in Advertising, 2013.
- <sup>xxiv</sup> Nelson-Field, Karen. *The Attention Economy: Exploring the opportunity for a new advertising currency*. Dentsu Aegis Network, June 2019

