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Responsible publisher: François Chaudoir

Writers: Bernard Cools, Françoise Jehin, Vincent Pelerin.

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FROM AWARENESS TO ADVOCACY: 3 LEARNINGS FROM AN EXCLUSIVE SURVEY

In his book «*How brands grow*», Byron Sharp redefines the « double jeopardy law » for marketers. Sharp's double jeopardy law states that lesser-known or lower-penetration brands are exposed to two dangers: a double jeopardy.

The first jeopardy is that, because of their smaller size, they tend to have a smaller penetration. The second jeopardy is that lesser known brands are also generally less appreciated by those who know them ¹. By comparison, a well-known brand is able to counter these risks by combining a larger income base with a greater chance of being appreciated.

Appreciation is directly related to recommendation, or "Word of Mouth". Sharp points out that word of mouth is correlated with size: "*Like most brand-level metrics, WOM [Word Of Mouth] levels are highly correlated with market share*"².



Throughout 2017, Space has been proactively monitoring both the 'double jeopardy' law and the WOM effect. Every month, Space recruit 500 respondents to take part in a simple, standardized questionnaire. This survey records use or purchase of brands that month, knowledge of those brands, and the likelihood that these brands will be recommended. A variety of categories are studied, on a rotating basis, so that the same sector will be studied approximately every quarter. The survey is conducted online by the independent research-institute AQRate.

To date, more than 200 brands across a variety of sectors of have been assessed. Already a number of lessons can be learnt - many of which directly confirm both the "double jeopardy law" and the relationship between "word of mouth" and the size of the brand.

¹ Jenni ROMANIUK & Byron SHARP (2016) *How brands grow Part 2. Including emerging markets, services, durables, new and luxury brands*. Oxford University Press, p. 4.

² ROMANIUK & SHARP, p. 134.

In short, how does it work?

Depending on the category, the questionnaire assesses either two or three levels of awareness. These include:

- Spontaneous awareness: "What are the brands in this category that come to mind spontaneously? "
- Assisted awareness: "Among the brands in this category listed below, which ones do you know, even only by name? "
- Advertising awareness: "Among the brands listed below, which do you remember seeing or hearing advertising in recent months? "

The survey continues with two simple questions.

- The first question assesses respondent relationship with the brand to understand if they are: 'non-buyer with no intention of purchasing', 'non-buyer, but who would consider the brand', 'ex-buyer', 'non-exclusive buyer' exclusive buyer'
- The second question investigates the probability of recommendation: "on a scale of 0 to 10 how likely are you to recommend each of the brands in this category to your friends or family?"



And our questionnaire ends with the respondent's demographic information: gender, age, income, etc.

Overall, there are three important lessons we can learn from the results.

1st lesson: media investment is most determinant for spontaneous awareness

Media presence is clearly intended to support or increase a brand's familiarity with existing and potential consumers.³ Indeed, many brands work on the assumption that advertising awareness is directly influenced by media investment. Unsurprisingly, and reassuringly, the results of this study confirm that media investment does impact upon 'advertising awareness'. However, the ranking of the measured impacts on the different levels of awareness does not confirm directly that assumption.

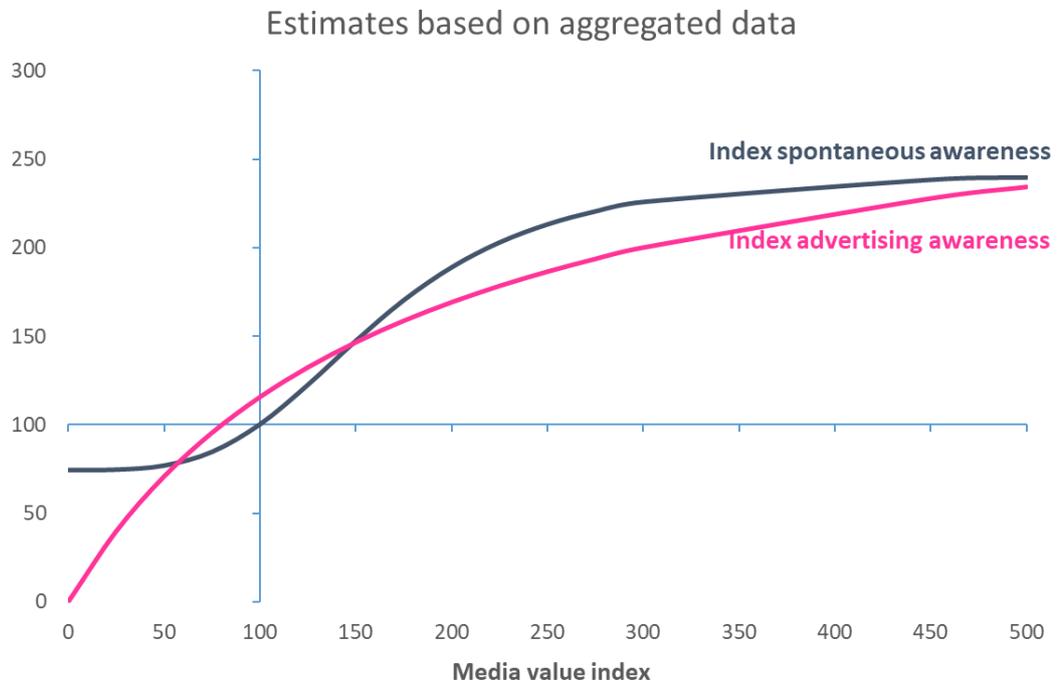
When survey data relating to the three metrics of brand awareness (spontaneous, assisted and advertising awareness) is correlated against media investment⁴ (source Nielsen Media Data) interesting differences emerge. Within our data set, 'spontaneous awareness' is most strongly correlated to media presence, even more so than 'advertising awareness'. 'Assisted awareness' usually higher initially, evolves less easily.

The graph below illustrates the effect of visibility in the media (index) upon both 'spontaneous awareness' and 'advertising awareness.' Results are based upon aggregated data and reflect buyer and user responses from across the various categories studied. It is worth noting that the media effect on 'spontaneous awareness' only surpasses the media effect on advertising awareness when there is a significantly higher than average (index 150) media investment - but once the 'advertising awareness' curve has been overtaken, spontaneous awareness remains higher.

³ All the analyzes are done on the 'category users' (see below)

⁴ Gross value of offline campaigns of the corresponding brands during the last 3 months, including that of the study during the year 2017. We have already explained in former newsletters that we consider the Nielsen data relating to online advertising to be unusable and unreliable.

Media support & brand awareness



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The graph shows us that the relationship is not linear: there is a clearly decreasing yield between media investment and brand awareness, with an "S" shape for 'spontaneous awareness' and a more regular, yet still decreasing, growth for advertising awareness. In this instance, buyers and users are defined as individuals who currently buy or use at least one brand within a category.

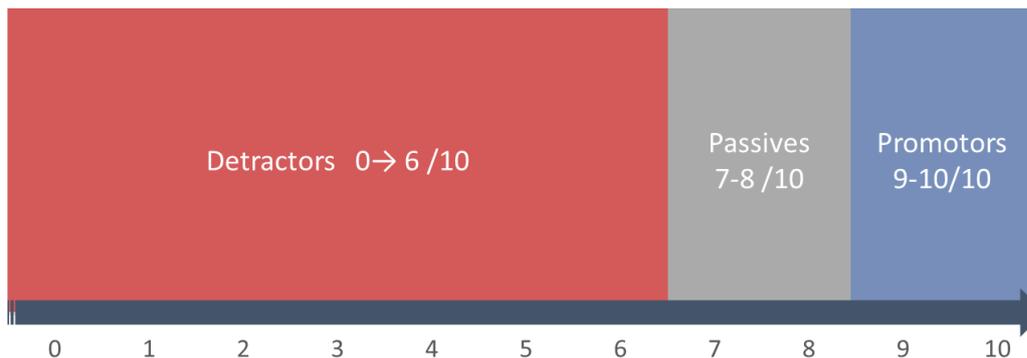
A greater influence of paid media communication on spontaneous brand awareness is good news for brands: generating awareness at a product level is more effective than the recognition of advertising, even if the advertising is more likely to change the consumers 'behaviour.

2nd lesson: when it comes to advocacy, size matters - but not always

Our consolidated results also show some interesting reference metrics, specifically in relation to awareness, penetration (defined simply as the sum of the buyers or users of a brand or a product) and advocacy.

In this study, 'advocacy' is determined by the inclusion of 'category users' who allocate the highest scores (9 and 10 out of 10) to the question "On a scale of 0 to 10, how much would you recommend this brand to your friends and family," and we asked this question in relation to each individual brand or product.⁵ This group of consumers are also known as 'promoters', as defined in the overview of key indicators (below).

5 To what extent are you likely to recommend this brand/product ?

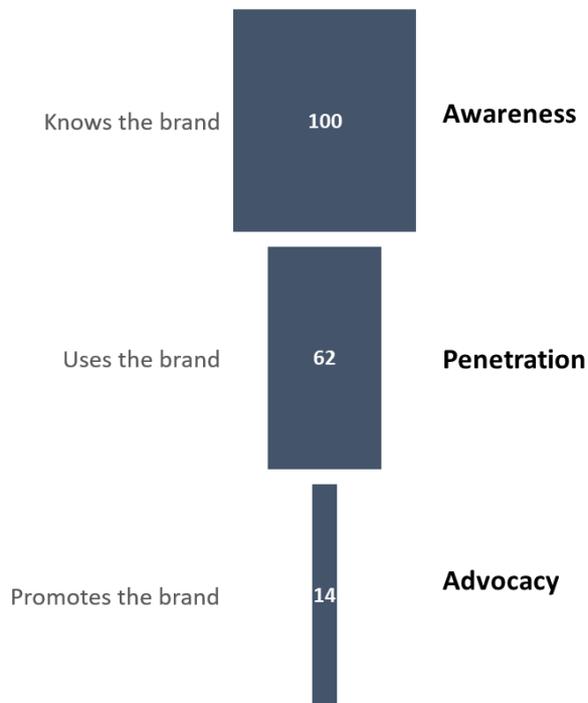


Average scores for awareness, penetration and advocacy metrics, calculated over the entire database, appear in the graph below. The graph also shows minimum (equal to or close to zero) and the maximum values;



with the maximum values at around 100% of category users for brand awareness and penetration, but dropping to under 40% for 'advocacy.' This drop can be explained by the relative difficulty of achieving a recommendation: the highest scoring brand in the advocacy category only has 1 in 3 'promoters' among its users.

⁵ We recognise here the measurement method used for the Net Promotor Score. Cf : Frederick F. REICHHELD "The One Number You Need to Grow" *Harvard Business Review*, Dec 2003. <https://hbr.org/2003/12/the-one-number-you-need-to-grow>



A clear pattern emerges: if we group all the brands, adjusting average awareness (aided) to 100, then around 6 out of 10 people will buy or use the typical brand. However, less than one in four of these users will then go on to recommend this brand to their loved ones.

This highlights that, in spite of being considered the most credible and trusted communication channel by consumers (source: Nielsen⁶), recommendations really are very rare.

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Clearly recommendations are important, but which type of brands benefit from the most recommendations?

Brands with the highest rate of 'advocacy' are typically category leaders or those brands with very high numbers of users - a significant number of which are 'promoters'.

However, 'promoters' are not limited to brands with high penetration: some brands with relatively few users can also have significant proportions of promoters. Product category helps to explain this; for example, in the car category the recommendation rate is higher than the penetration rate in 25% of cases !

⁶ According to the survey "Global trust in advertising. Winning strategies for an evolving media landscape" (Sep 2015), the very first source in terms of trust, well ahead of the next, is «recommendations from people I know ». This is true in all geographical areas of the world and all age groups Source : <http://www.nielsen.com/content/dam/nielsen-global/apac/docs/reports/2015/nielsen-global-trust-in-advertising-report-september-2015.pdf>.

3rd lesson: Recommendation rate is directly related to the size

As we have seen, 'promoters' are often a minority within a brand's overall user group.

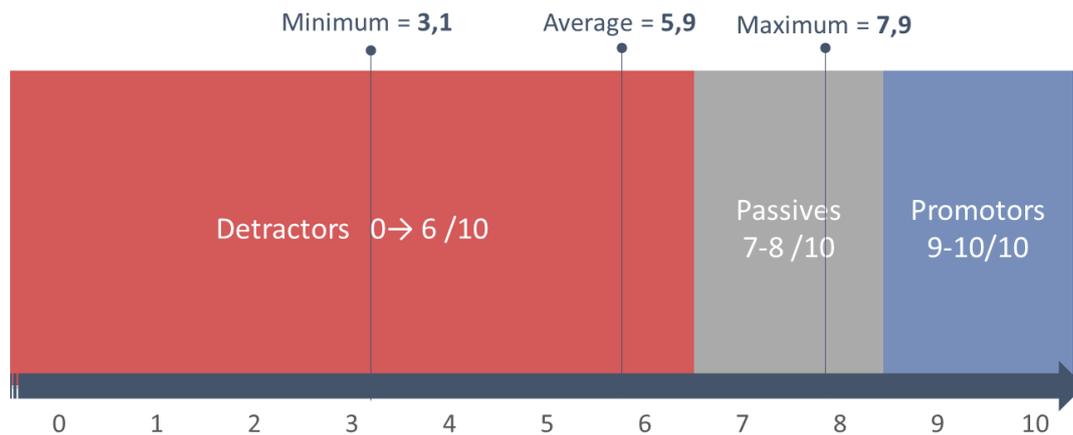


That is because 'promoters' are rare. As can be seen below, the average advocacy rating is close to 6 out of 10, which is hardly an overwhelming enthusiasm! The maximum obtained is just under 8, and the minimum is very low at 3 out of 10.

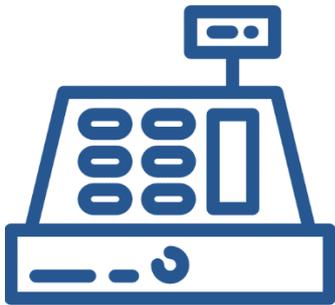
and the minimum is very low at 3 out of 10.

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To what extent are you likely to recommend this brand/product ?



The average recommendation score is directly correlated with 3 other indicators. Firstly, the proportion of 'non-regular buyers,' secondly the percentage of 'promoters', and finally the number of 'passive customers' a brand has (who give an average score of 7-8 out of 10).

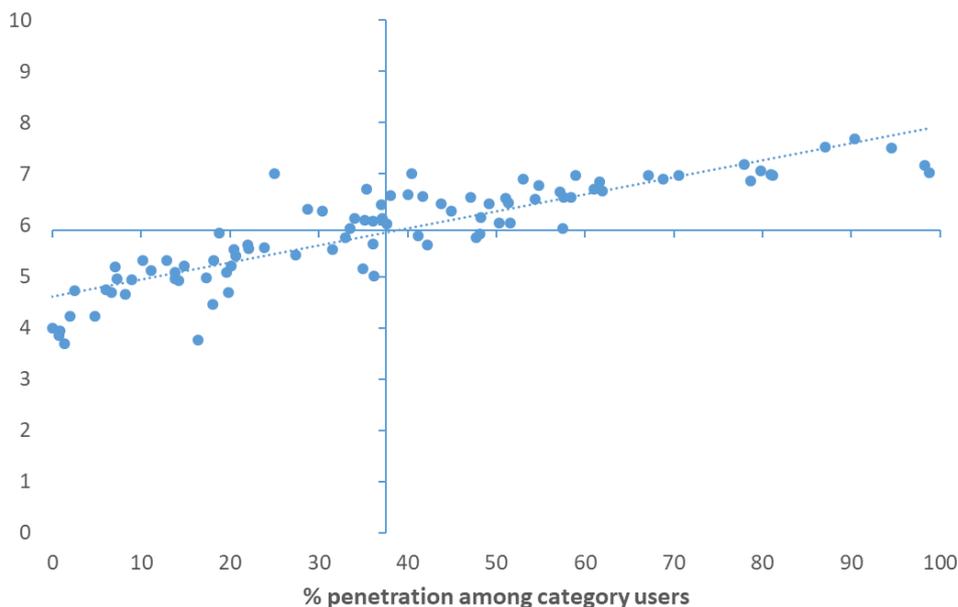


The number of 'regular buyers' a brand has only plays a minor role in determining the average recommendation score. In fact, a 'good rating recommendation' is more likely to be linked to a varied customer based, not an enthusiastic one.

In short, as illustrated by the graph below, brands with higher category penetration are more likely to benefit from a higher recommendation score.

Average propensity to recommend directly linked to brand size

Probability to recommend (/10)



Teachings in line with expectations

Our findings confirm the two elements of Byron Sharp's theory.

Although, looking at our results, one could consider the proportions of 'promoters' low we must remember that consumers' engagement to brands is a rare commodity: a study on 'brand fans' on Facebook, for example, showed that less than 1% of them actually went as far as to actually 'like'⁷

9 These lessons reinforce the value of advertising in growing brands. The importance of a varied communication plan has long been proven.⁸ More recently the relevance of mass media advertising campaigns has been demonstrated in an article relating to the alleged decline of major brands, concluding that advertising supports growth by developing 'mental availability' (Byron Sharp)⁹ in the consumer. Media visibility is therefore essential to brand growth according to both our study, and other recent research (with data up to 2016).¹⁰

So then, what is the interest of these lessons given that the conclusions are, in the end, somewhat predictable?

They are local 'invented here', they are recent (2017 and early 2018 for newer), and they are actionable - because they lead to a predictive model of brand awareness.

⁷ Karen NELSON-FIELD & Jennifer TAYLOR, "Facebook fans: A fan for life?" *Admap*, May 2012, pp. 25-27.

⁸ "Multi-channel campaigns are in general more effective than single-channel campaigns". Source: Les BINET & Peter FIELD (2007). *Marketing in the era of accountability*. Institute of Practitioners in Advertising, p.67

⁹ "It's long been true that some fortunate small brands can grow without mass advertising - but then they need advertising to stay big. Most new brands need mass reach in advertising". Source: Byron SHARP, Magda NENY CZ-THIEL, James MARTIN, Zac ANESBURY & Bruce McCOLL. "Are big brands dying?" *Admap*, January 2018, p.15.

¹⁰ Les BINET & Peter FIELD (2017). *Media in focus. Marketing effectiveness in the digital era*. Institute of Practitioners in Advertising, p. 16.