

# Sorry to Disappoint You – But the Business We're in is Unusually Low in Risk

(Which is why experiment and adventure can be so confidently explored)

By Jeremy Bullmore



**O**f all the expenditure decisions that major companies make, decisions on advertising expenditure are surely thought to be some of the most perilous.

In last year's Annual Report, we picked over that apocryphal saying, "I know that half the money I spend on advertising is wasted. My only problem is that I don't know which half." And although there's no hard evidence that anyone of authority ever said it, the old adage clearly still strikes an instinctive chord with many. Apocryphal though it may be, it evidently gives voice to an underlying unease about advertising: that there's some elusive, immeasurable element about advertising decision-making that's mercifully absent from other major investment decisions.

It's true that the sums involved are huge. It's true that decisions have to be made about advertising content that, unnervingly, may rely at least as much on informed experience and subjective judgement as on empirical evidence. It's true that there seem to be no universally accepted rules. When authorising an equivalent sum on capital expenditure, for example, there will be many reassuring metrics. By contrast, when authorising advertising and promotional expenditure, there will be disturbingly few.

Advertising agencies seem to enjoy this sense of living dangerously. They constantly encourage their clients to be brave. And when an advertising campaign has been shown to be unusually effective, they publicly praise their clients for the courage they displayed in accepting it. So if the approval of advertising demands courage, it surely follows that the approval of advertising must demand risk? If risk were low or non-existent, surely the need for courage would be minimal?

## What we think

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Simply through association, the annual Cannes Lions International Festival of Creativity emphasises the showbiz aspects of advertising; and everybody knows just how hazardous and unpredictable the funding and making of movies can be. Remember *Heaven's Gate*? Hollywood does. It cost \$44 million to make, took \$3.5 million at the box office and brought its studio, United Artists, to the brink of bankruptcy.

And yet, and yet: if approving advertising were as risk-laden as approving the making of a motion picture, wouldn't common sense suggest that there would be at least a few notorious examples of major marketing companies being brought to their knees by high-risk, ill-advised advertising campaigns?

Surprisingly, there are none.

I exclude from that claim stunts and promotional campaigns. If you inadvertently print too many winning numbers on your bottle tops, you can easily find yourself paying for a million five-star vacations in Las Vegas rather than the 200 you allowed for in your budget. I'm talking only about conventional, main-media advertising campaigns. And search as rigorously as you may, you will find no single example of a purely media campaign inflicting *Heaven's Gate*-type injury on its sponsoring company.

There are, of course, countless examples of advertising campaigns failing to meet the extravagantly high hopes that were held out for them. They may even constitute the majority. And there have been all too many expensive product failures. But in the 150-year history of mass media advertising, there is no single recorded instance of an advertiser being brought to the brink of bankruptcy solely because of a misguided advertising campaign.

There is, I believe, at least one main reason for this curious fact – and it's one that doesn't get much attention because of the nature and structure of the advertising business.

From the beginning, the advertising agency market has always been fragmented. Because of advertisers' concerns about confidentiality, the need to avoid client conflict has restricted agencies' ability to grow. The result has been a great many competing agencies – but with even the biggest seldom enjoying a market share into double figures.

In most consumer markets, a comfortable brand leader can appropriate generic market benefits and expect to reap the most reward. In the agency world, there's never been such an agency; so no one has ever put the generic case for advertising. Agencies, entirely reasonably, assume that their clients or potential clients have already accepted the need to advertise and are concerned only with how much to spend, in which media, and on what creative content. So agencies compete with each other at the margins – each claiming that *how* they allocate the clients' funds is what will make the crucial difference. And of course, that's true. But what gets neglected is a reminder of the generic benefits that advertising – yes, just about *any* advertising – bestow on the advertiser.

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Reluctant though the advertising trade may be to admit it, the reason that advertising catastrophes are so rare as to be non-existent is that just about any advertising, as long as it follows a couple of primitive rules, will have some value.

This, then, is the first and most basic truth about advertising:

*If the medium you've chosen reaches the people you want to reach, and if your medium clearly carries the name of your brand, your money will not have been wasted.*

I am not, please note, suggesting that anyone should consciously adopt, or indeed settle for, such an unambitious approach. But it's a fundamental, reassuring fact – and one to savour.

Billboard advertising carrying a poster design invisible to the human eye is money wholly wasted. Online advertising that reaches only robots is money wholly wasted. But for an established, repeat-purchase brand, if the right people are aware that the brand is being advertised, it is impossible for money to be wholly wasted.

Recent understanding of how much advertising works lends power to this belief. The late Andrew Ehrenberg long argued that the role for advertising for established brands was much more to do with publicity than persuasion: people don't need to be talked into buying brands with which they're already familiar. But brand values fade and need to be refreshed and brand equity needs to be replenished. It's more and more widely accepted that maintaining salience, topping up fame, providing brand sustenance – simply being out there – may be the principal contribution that mass advertising makes to mass brands. By far the most important decision that an advertiser makes is the decision to advertise.

The purpose of disinterring this truth about advertising's most basic function is not to encourage marketing complacency; not to stop advertisers striving for excellence. Indeed, it's the absolute opposite.

To be reminded just how unlikely we are to make a catastrophic error is to be liberated: liberated to be less of a slave to caution; liberated to experiment, both in content and in levels of expenditure; liberated to test the waters, to try things out, to suck it and see. The penalties for getting it wrong will be barely measurable. The rewards for getting it right can be heady.

Let me return to this basic truth: *If the medium you've chosen reaches the people you want to reach, and if your medium clearly carries the name of your brand, your money will not have been wasted.*

Given this under-recognised and deeply reassuring comfort blanket, we can return to more familiar territory – the role of something called creativity; or to be precise, *advertising* creativity. Advertising creativity may borrow the tools of the fine arts – the words, the sounds, the images – but in all other respects it is different. It exists not for its own sake but in order to have a defined and calculated effect – on people's opinions, feelings or behaviour.

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There are some who, puzzlingly, still talk of creativity and effectiveness as though they were disconnected outcomes; as though advertising can be highly creative while failing to achieve its functional objectives. That's like honouring a bridge for its aesthetic beauty while closing it to traffic for safety reasons. In advertising, creativity is never an end in itself – its sole purpose is to make commercial communication more telling, more evocative, more compelling, more moving, more rewarding, more likeable, more readily understood – than any unadorned brand name could ever achieve.

At its most basic, creativity in advertising exists for just one purpose: to make an advertiser's money go further. And at its best, as any number of well-documented cases celebrate, it can do so in multiple increments.

But the conscientious analysis of a thousand case histories will never guarantee the emergence of another. Trying to do something that's never been done before doesn't just run the risk of risk: it knowingly invites it. And that's why the basic truth about advertising, however unheroic it may sound, should be far more openly acknowledged; and indeed celebrated.

It should be the commonplace truth that frees us all to search for the exceptional. ➔