

*Four Key Performance Indicators to:*

# Decrease Advertising Investment Risk and Build ROI

*How real-time decision-support insights, cross-media analysis  
and competitive benchmarking improves creative while cutting  
costs*





# Do More and Spend Less

This short eBook will show you how to decrease your advertising investment risk and enhance ROI through the use of real-time creative insights. These insights are based on the benchmarking of more than 100,000 ads across TV, radio, newspaper, magazine, digital and OOH, and on KPIs that are proven to predict outcomes like sales.

Many of these findings are different than “conventional wisdom,” so we hope to stimulate new thinking and inspire great creative.

**Part One** focuses on general research findings regarding creative copy-testing; the importance of utilizing all types of media; and, which popular measure really doesn't matter.

**Part Two** introduces the *Four Key Performance Indicators* that predict creative that will deliver on ROI.

**Part Three** discusses new options to decrease the risk of wasting investment dollars on underperforming creative.

*The impact of creative has been shown to be 4x as important as your media plan, so if you're not focused on these four KPIs, you're leaving a pile of money on the table.*





Part One:

# Research Findings

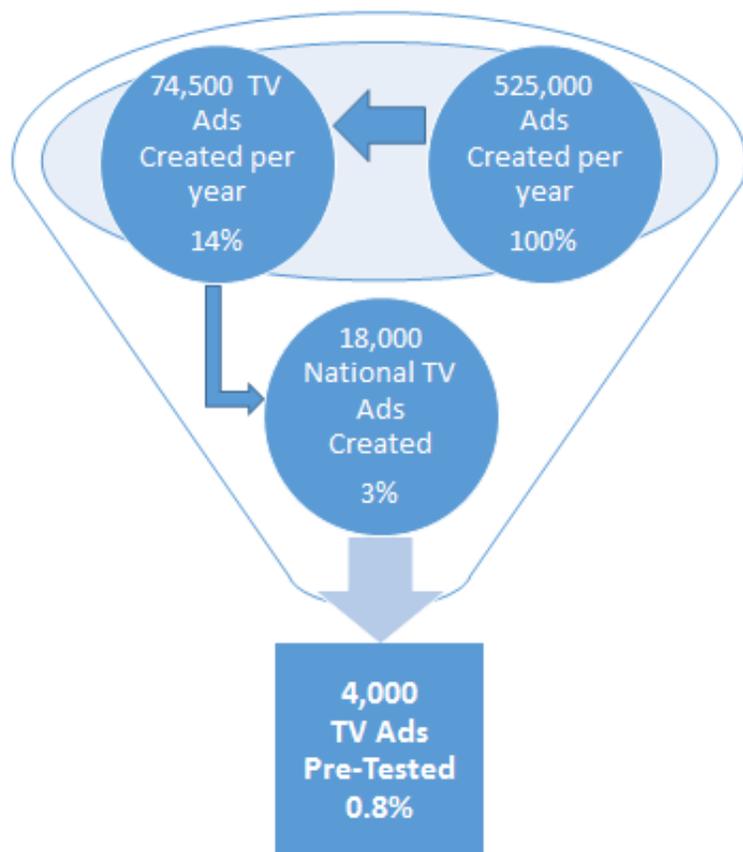


## Copy Testing is Broken

Advertising copy testing has existed for years and is a staple of all major advertisers. Copy testing serves a critical need as campaigns are put together.

However, only a fraction of all ads are actually evaluated due to the high costs of traditional testing methods, and these are almost exclusively television ads.

Of the more than half a million new creatives each year, *less than 1% are copy tested*:



## Why TV is Not Enough

So, despite the enormous amounts of money spent on advertising, there is no solid feedback loop (beyond the 1% copy tested) that a creative team can enlist that tells them which of *the rest of their ads* are successful and which are not.

As a result, the ability of advertising creative to generate a good ROI is a crap shoot with a large number of good ads produced, but also lots of bad ads.

Since advertisers only know the performance of the miniscule number of ads that are pre-tested, *millions of dollars are being wasted* on ads that are dramatically sub-optimal.

We're flying by the seat of our pants for 99% of our ads! Does that make sense to you?



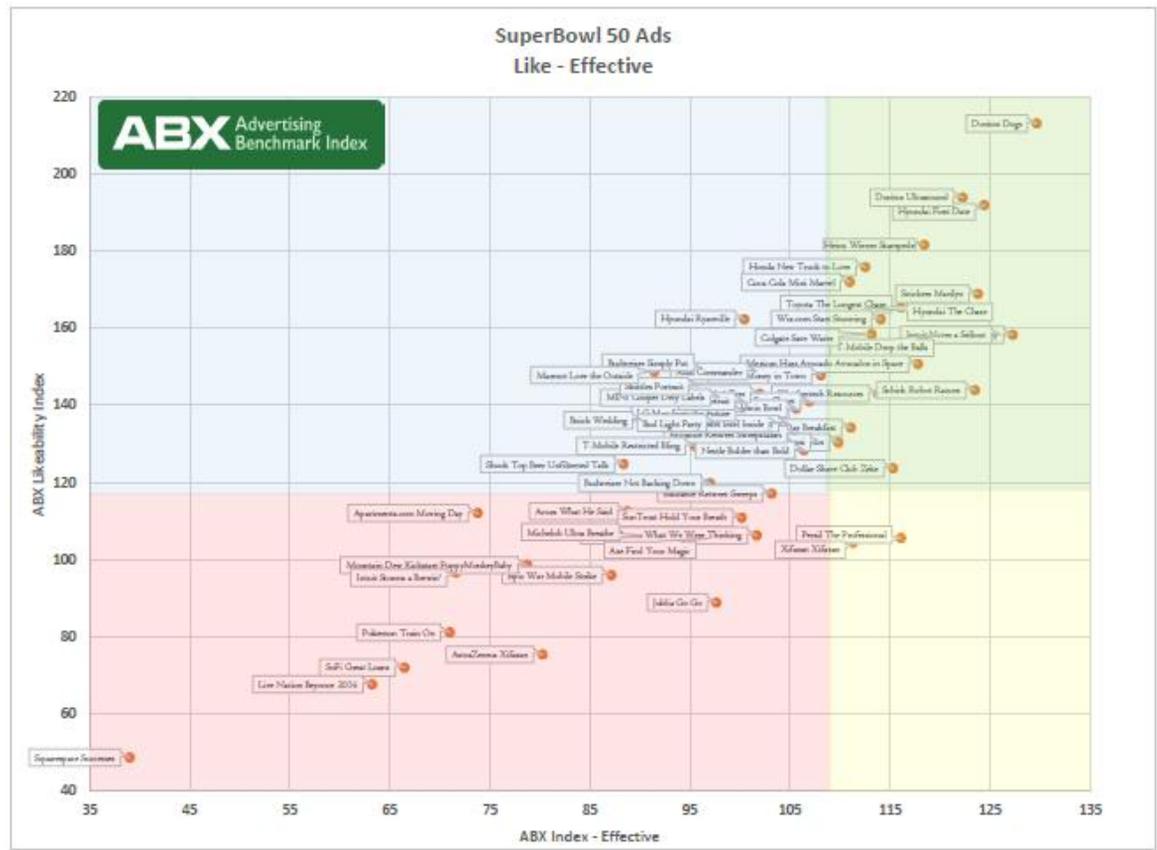
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<https://womensfictionwriters.wordpress.com/>



## Measuring the Wrong Thing

Every year there is enormous hype surrounding the advertising that runs during the Super Bowl. The tools that give these ads bragging rights as the “best” are as scientifically flawed as the effectiveness of many of those ads. *These ads are touted as the “best” primarily because they are the most liked, not because they are the most effective.* Measurement insights on more than 100,000 ads prove “likability” is not a variable that predicts success. A likeable ad is not a bad thing, but just being liked is hardly enough.

(As featured in Forbes, the chart below shows the “most effective” ads horizontally while the most “likable” are top to bottom. Click chart for better image).

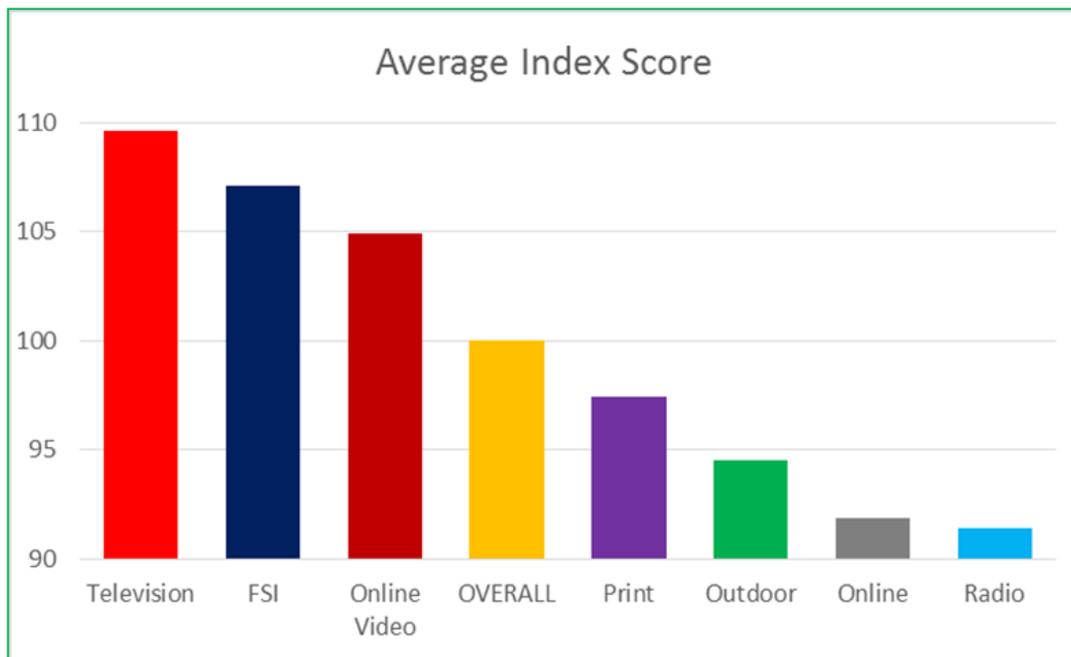


# Overall Score is Only Half the Story

Within our repository of 100,000 measured ads, we compared the likeliness of each media type to deliver on ROI. In this comparison, TV ads and Free-Standing Inserts (FSIs) were the most successful, and radio ads the least successful, based on average scores.

On the next page, we'll show you some data that suggests TV's superiority is far more likely to be just the result of advertisers pre-testing more TV ads than other media types.

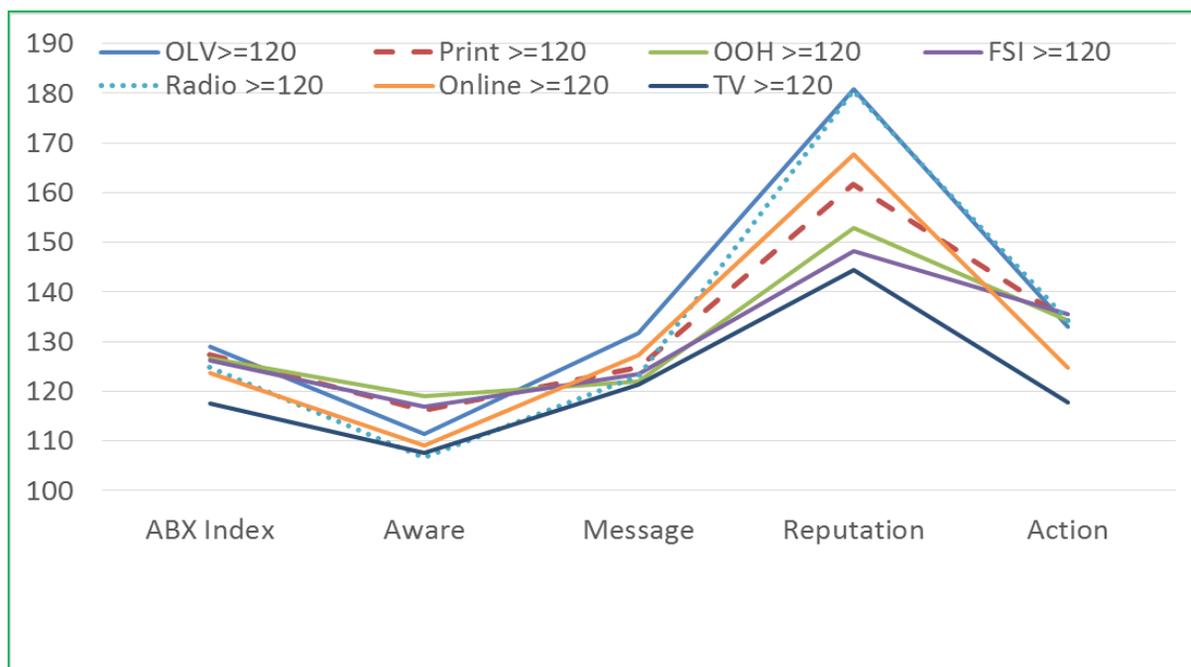
The differences shown by the average performance scores below are NOT indicative of the strength or weakness of the medium itself. Rather, they indicate the *strength of the current creative*, and the opportunity for improvement.



## Good Ads Cross Media Borders

Despite differences in *average* scores by media type, if we look at only a *subset of successful ads* for each with ABX Index scores that are 20% above average or higher, *each media type performs in a nearly identical fashion.*

We must conclude that all media types are capable of achieving our communication objectives, and *no medium is inherently more effective than any other.* In fact, looking at this chart of high performing ads, TV (black line) has the lowest average performance scores of all.





Part Two:

# The Four Key Performance Indicators for Risk-Free Advertising

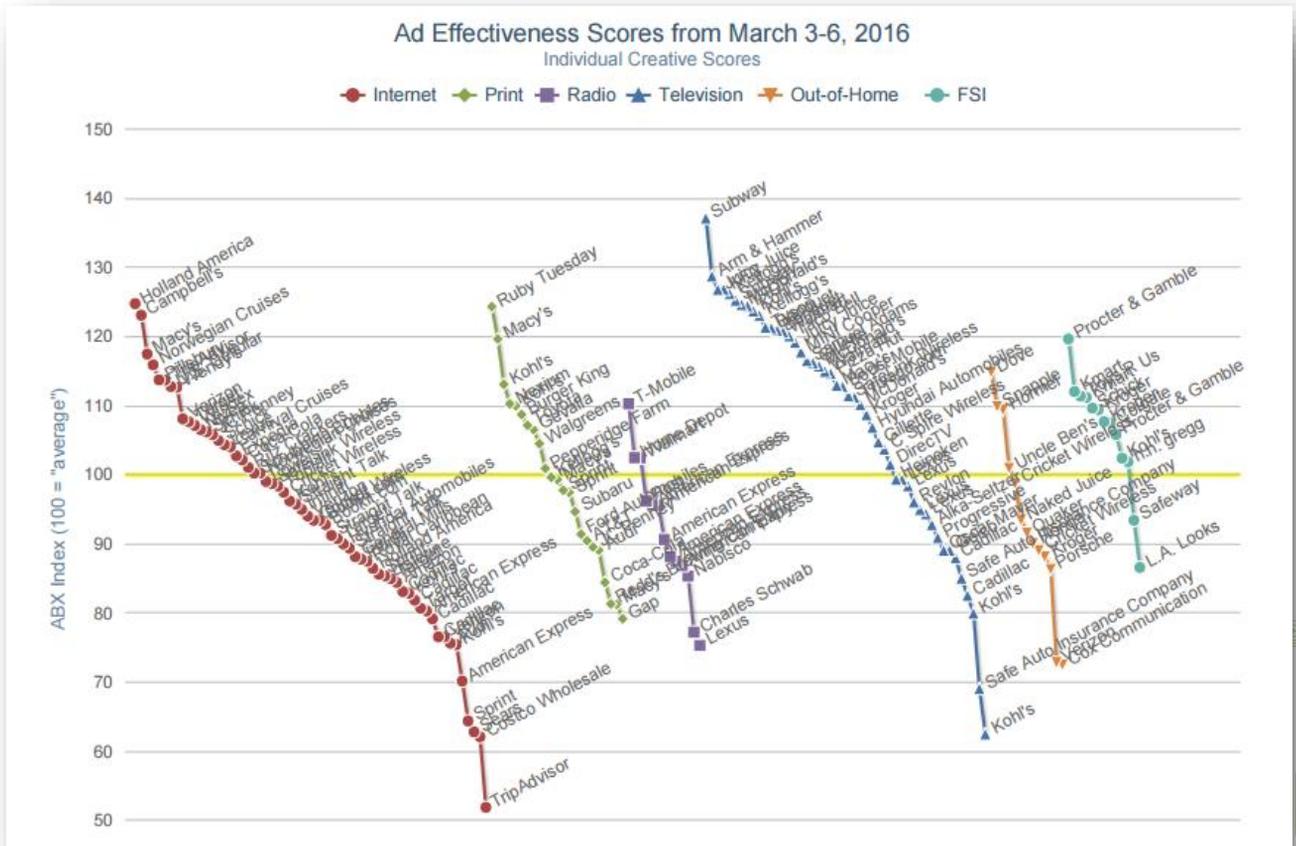


## Way Too Many Bad Ads

Without adequate pre-testing, too many ads fail. The chart below shows the Average ABX Index (100 = "average") of all ads measured over a three-day period.

The colored vertical lines are by media type. Each dot represents an ad. The yellow line designates "average."

No matter the media type, advertiser or industry, there is a wide distribution between 'bad' and 'good' ads. About half score below the yellow line, which means they will cost the company money as opposed to delivering a good return. Advertisers don't know this since they never see the full picture.



# KPIs That Count

**All is not lost!** Our experience generating insights from, and benchmarking, more than 100,000 ads has proven that four key performance indicators most accurately predict how well an ad will communicate its message and persuade its audience to act.

The KPIs that have been shown to correlate best to business results have to do with:

- Awareness
- Messaging
- Reputation
- Call-to-Action

We'll describe each KPI on the following pages along with examples of a high performing ad for each of these KPIs. Future eBooks will focus more deeply on examples of ads utilizing these KPIs in each medium.



## Awareness

Have you generated sufficient attention and memorability to make the viewer know which brand is being advertised?

How often have we talked to someone who loves an ad, but can't recall the name of the advertiser?

Unfortunately this happens all too often. The best ads make prominent use of the brand name and incorporate the brand into the story line.



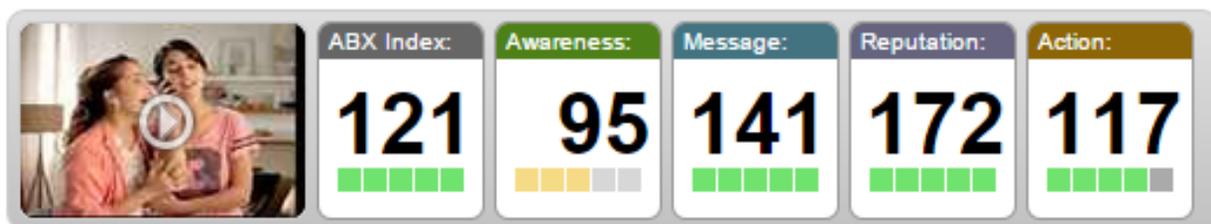
The ad above for Dove is a good example of prominent use of the brand, and shows a high Awareness score at 121. Through repetition of the brand throughout the ad, Dove achieves Awareness scores well above average.



## Messaging

Is there a clear benefit being described in the ad, and has the messaging been stated in an easy to understand fashion?

The best ads don't just state the benefit, but show how the user is being impacted by this benefit. If there is a clear benefit, but it is not described in an easily understood way, a disconnect can occur, especially under the time constraints of advertising cycles.



This advertisement for Johnson & Johnson's Clean & Clear brand is a great example of an ad with an exceptionally clear message as illustrated by its huge score of 141 (which means this ad is 41% more effective than the average ad.)

Interestingly, this ad was somewhat below average in Awareness for the brand. As you review this ad, notice that the brand was not introduced until later in the spot, which could account for this result.

Overall this execution also drove strong scores for both Reputation and Action.

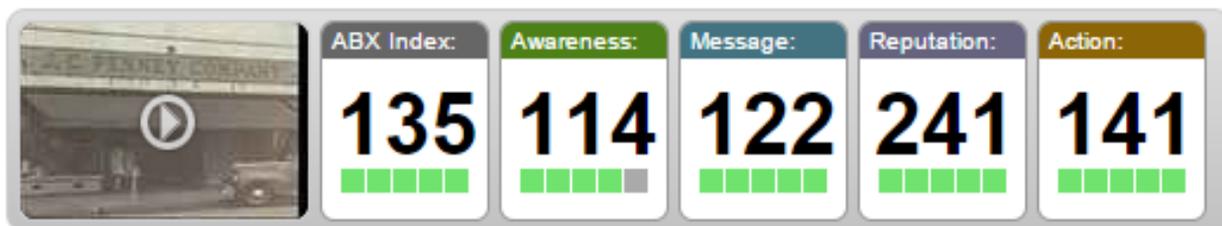


## Reputation

Did you feel better about the advertiser after seeing the ad?

Did it change your impression of the advertiser or product?

If it did, the ad is effective and powerful in impacting Reputation. If it did not, it was a missed opportunity.



We can think of no better example of an ad with an amazing Reputation score than the example above from JCPenney. After so much turmoil over the past years, the Company addresses all the changes directly with viewers and literally asks them to “please come back.”

The unusual clarity of Message is undoubtedly what impacted Reputation at a strong score of 241 (in the top 1% of all ads tested by ABX). Reputation affected Action, which meant JCPenney could expect a lot of visitors to its stores.



## Call-to-Action

When we ask what the viewer intends to do as a result of seeing an ad, the majority of ads (51%) *result in no change in behavior*. However, since we are hoping to change a person's attitude toward our brand, and ideally to get them to do something as a result of our investment, ads that generate an intended change in behavior are perhaps the only ones that are truly successful.



Applebee's advertising is generally very effective, the ad above being a perfect example. Every one of the KPIs are well above average and the Call-to-Action at 175 is in the top .5% of all ABX measured ads.

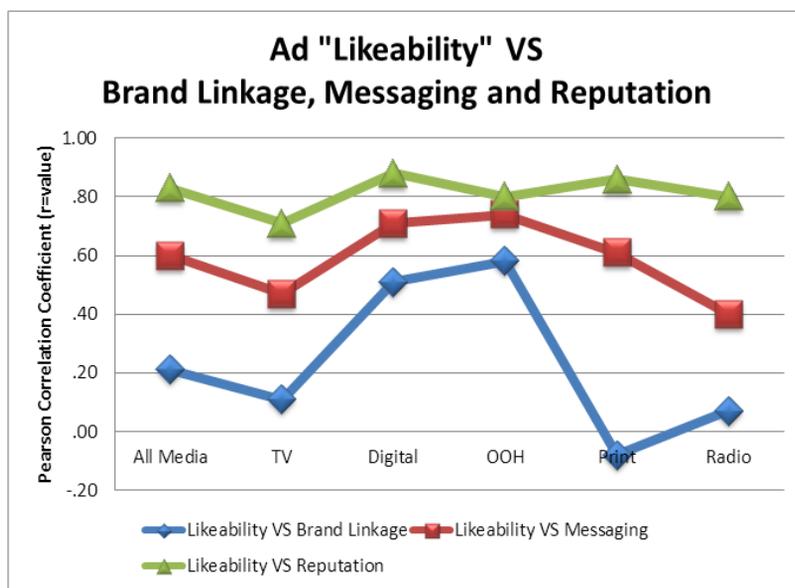
Why is this ad so successful? There is no doubt who the ad is for from the very beginning; the food photography and Message are clear and inviting, and respondents reported having a much higher opinion of Applebee' as a result of the ad. Well done!



## KPIs that DON'T Count

It's important to note that *likeability* is not part of the KPIs That Count. Why? If we *like* an ad, it has *almost no impact on whether we will recall the brand*, and only a modest impact on whether the ad's *message will be communicated*.

The chart below illustrates that the correlation (left axis) is low for All Media between Likability, Brand Linkage (Awareness) and Messaging. We see some correlation between Likability and Reputation, but it varies by media type.



When a marketing team reviews ad submissions from its creative team to see whether the ad meets communication criteria, they too are judging it based on whether they like it or not. Which ads will get our financial support are too often based on whether we like the ad and feel good about it.

Making marketing and media decisions based on the “KPIs that count” will result in far more effective use of our ad dollars.





Part Three:

# The Path to High-ROI Ads





# Creative Feedback

We must open our eyes to the lack of feedback for our creative teams. Our current processes are inadequate. Copy testing of radio, print, and online advertising is virtually non-existent. *How then can creative teams learn what works and what doesn't?*

As we've seen with Television, despite the highest level of pre-testing, the majority of TV ads go untested and an appalling number of TV ads miss the mark.

More importantly, with such a limited feedback loop, there is no mechanism to change creative effectiveness in the future, and *we are doomed to repeat spending too many of our resources on ads that are not effective.*



# Is Your Ad Creative Performing?

Subscribing to our new blog, the [ABX Advisory](#), is a great first step to see examples of superior ad performance with creative scores delineated for each KPI. In addition, more ABX eBooks will present the application of these KPIs to each media type.

Another resource may be helpful – “[Integrated Marketing Across all Media](#),” one of our new series of topical resource guides.

Another step is a free consultation with ABX to see if they can help. Chances are ABX has already tested a number of your ads, so you could quickly see how you are performing against competitors. And, *ABX monetization calculations* can show you just how much you can improve your creative and impact your bottom line.



ABX is uniquely positioned to show you how to minimize your advertising investment risk and enhance your ROI with real-time decision-support intelligence.

*“Bottom line, millions of advertising dollars can be reclaimed by understanding what’s working, and what isn’t, fast enough to do something about it.”*

— Gary Getto, President  
ABX Advertising Benchmark Index

# Who Are We to Talk?

ABX is the only global advertising evaluation service that provides real-time decision-support intelligence to minimize ad investment risk while boosting ROI. Insights are provided:

The **ABX Syndicated Study** measures print, television, radio, digital, OOH and FSI for clients and their competitive choice sets in 18 industries. With more than 100,000 benchmarked ads to date, the ABX study is the largest of its kind in the world. The ABX survey has proven to produce results comparable to legacy systems, but in a dramatically faster, less costly way and with more accurate norms.

Delivery of results is within 24 hours on desktop or mobile devices so you can know exactly how your ads are performing in-market in time for additional creative tweaking or revisions in the media buy. A dedicated ABX research analyst is assigned to you to assist with insights and recommendations.

**ABX Pre-Market/In-Market Custom Testing** – Why risk it? With ABX real-time creative testing, you can afford to experiment with a number of versions to ensure the best outcome before spending on media. Iterate your ad executions with insights from the KPIs that count. With overnight results, never have an ad underperform because you ran out of time. ABX ad benchmarking is available in 15 languages.

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