

# Digital ads fall short

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May 12, 2011

LONDON: Digital media lagged behind traditional channels in terms of delivering effective advertising last year, a new study has found.

The Fournaise Marketing Group [tracked 2,000 ads, campaigns and communications strategies](#) in 12 countries, based on factors such as stimulating demand, prospects, conversion and sales.

Despite the rise of tablets, smartphones and social networks, it reported digital ad effectiveness fell by 4% annually, the first decline on record.

This primarily resulted from the amount of clutter facing consumers, yielding an "ad rejection score" of 98% and just 2% engagement.

More specifically, targeted electronic direct mail and paid search constituted the best-performing formats, although both areas saw a slide in response levels.

Display, rich media and video executions, and sponsorship posted the lowest totals, according to the research.

In all, traditional channels registered an effectiveness rating of 57.8%, measured against 55% for the interactive alternative.

For consumer brands, a combination of TV spots, direct marketing and in-store activity, supported by sampling, proved strongest.

Regarding business-to-business operators, direct marketing - especially targeted email - magazine advertising, referrals and telemarketing assumed a parallel position.

Drawing on material covering 600 executives Fournaise has worked with, interviewed or studied during the last three years, it suggested 80% of communications specialists are still "traditional marketers".

This group remains intent on driving awareness and interest via creativity and media, but fail to show how this translates into demonstrable payback.

By contrast, the 20% of "ROI marketers" emphasise deriving the maximum financial benefits from their outlay, and are typically pragmatic, generally prioritising "business-related" objectives.

"To successfully generate incremental customer demand, they transform their data into business-focused actions, and are not afraid to go against popular marketing trends if their tracking results say the contrary," said Jerome Fontaine, ceo, Fournaise.

The company's 2010 analysis revealed the expenditure of "ROI marketers" was 24% more effective than the previous year, mostly thanks to innovative marketing and media strategies, and striking creative.

For 80% of under-performing efforts last year, the key shortcomings included the lack of a unique selling or value proposition, inadequately expressing product benefits, and weak creative.

"I do not talk about return on investment, and rather call it 'return on spending,'" Miguel Serrano, Nestle's marketing director, told Fournaise.

"Investments are meant to appear in my balance sheet, whereas, unfortunately, very often the money most marketers blast in big advertising campaigns appear in the media owners' and the advertising agencies' bottom line rather than in our own assets.

"I believe in the power of great brand advertising campaigns, but only if their power is to deliver a precise value proposition ... to generate sales down the line."

Elsewhere, 72% of prospects provided by advertising were "lost", 35% of leads not followed up within three days, and 65% contacted just once.

Another 60% of consumers who reacted and engaged with ads ultimately had their details stored on a database, but received little one-to-one communication.

"Today, the burden of proof exists," said Scott Coles, chief executive of ISYS Search Software.

"A cmo must be able to link all marketing activities back to an overall brand strategy and prove that the activities are generating a return."