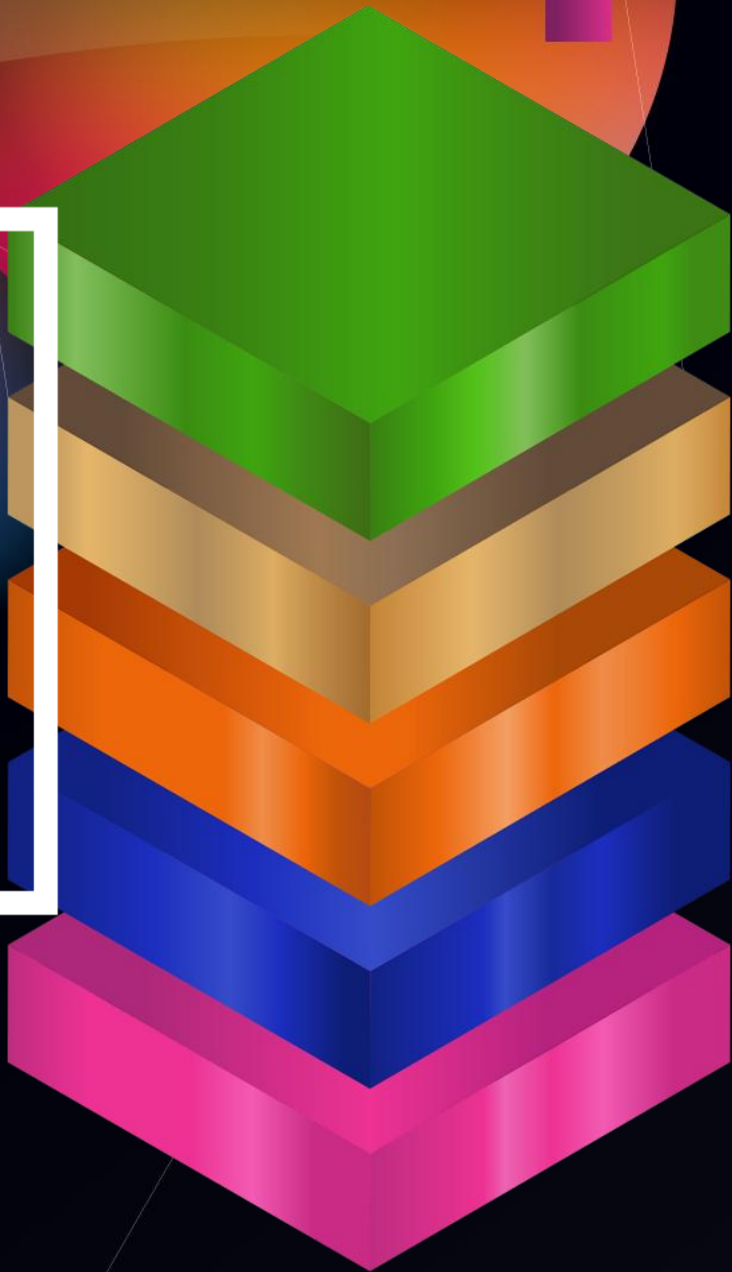


THE
**CREATIVE
DIVIDEND**



How creativity multiplies profit

System1
Create with Confidence





Global marketers still lack confidence

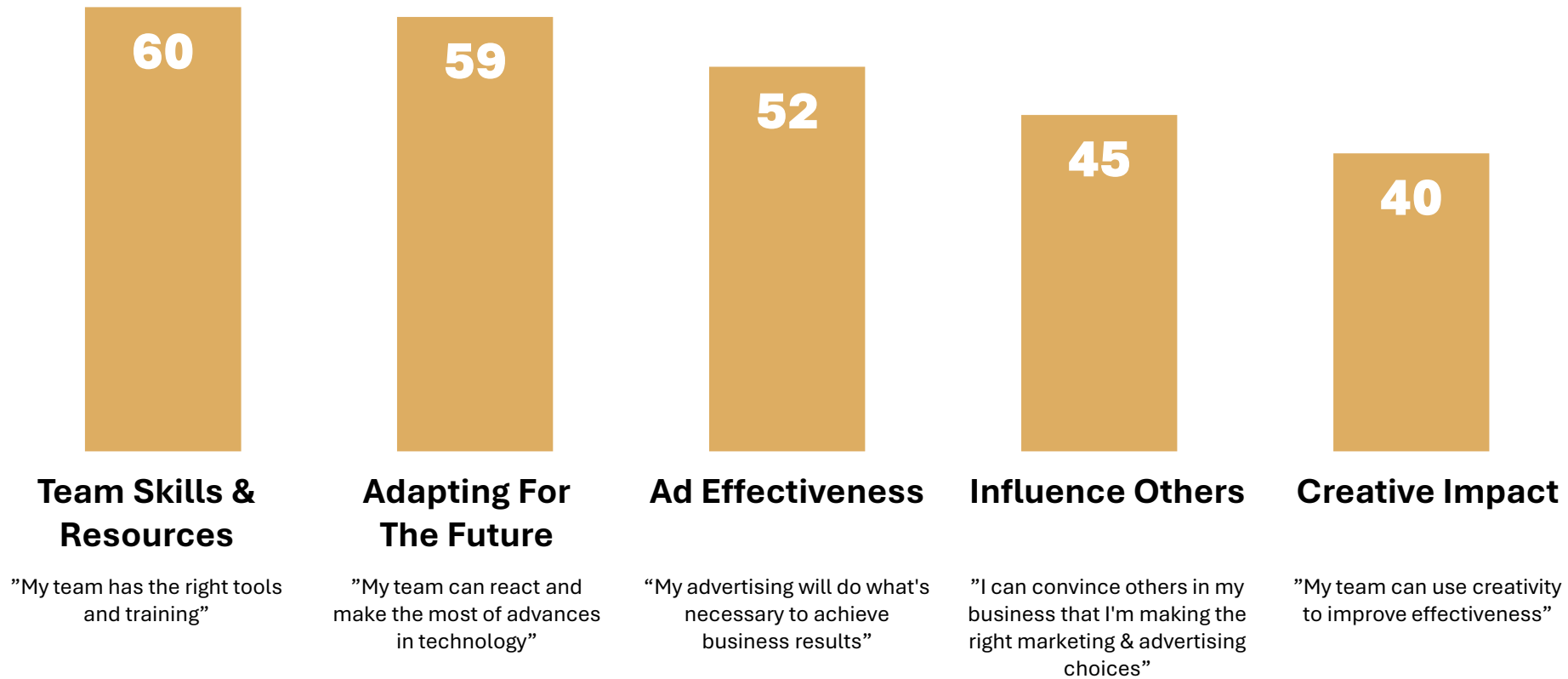
Effie & System1 interviewed 380+ GLOBAL marketers

1. Most marketers still lack the confidence to deliver (training is a main issue).
2. Confident marketers aim for business results. Low-confidence marketers chase clicks, reach and conversion.
3. Marketers think creativity is a risk (and a lack of market orientation and strategy hinders great work).
4. Most marketers undervalue creativity and overvalue targeting.



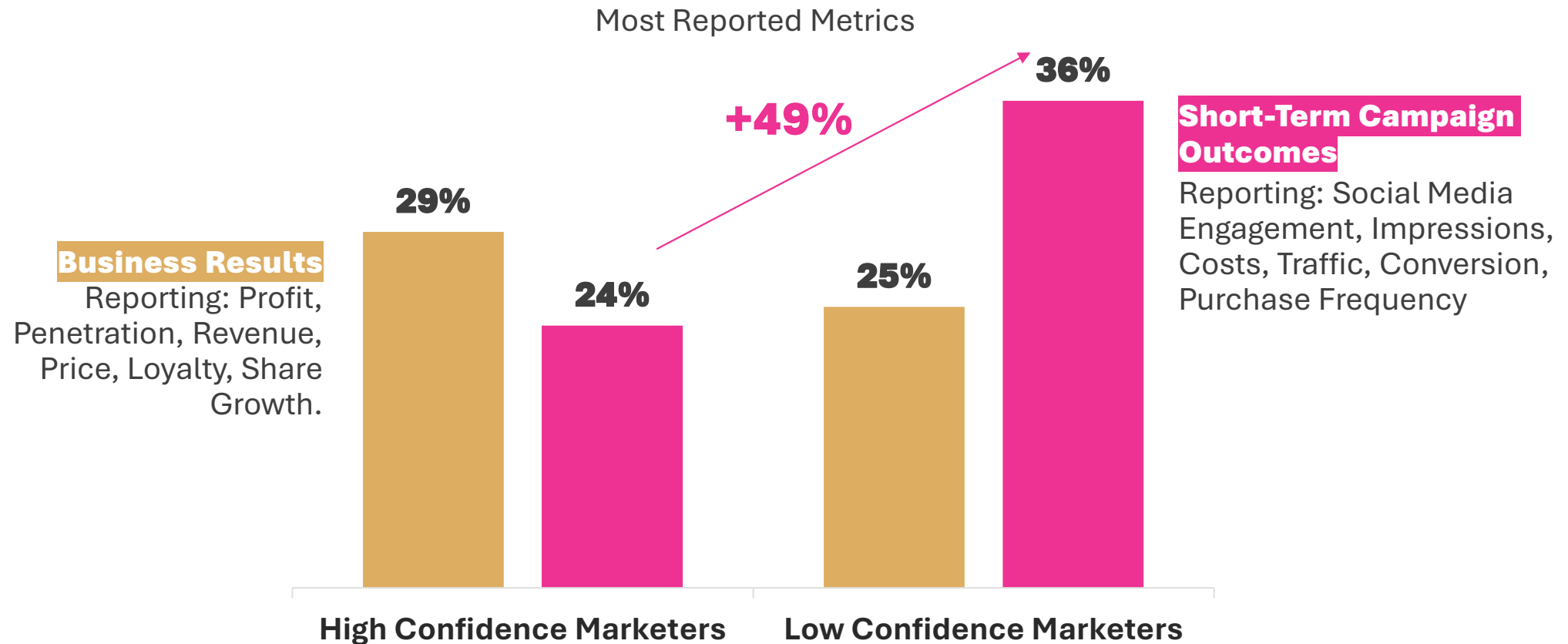
Marketers totally lack confidence

% Marketers Lacking Confidence (Below top 2 box)





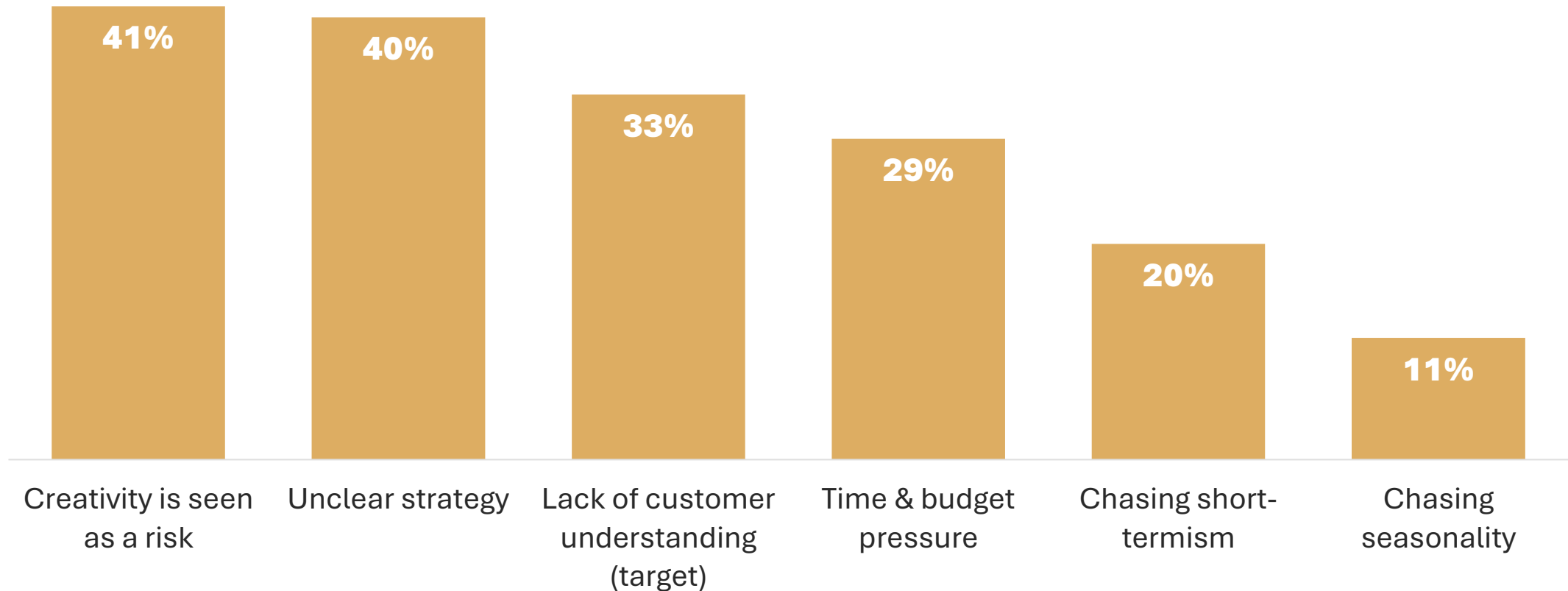
Low-confidence marketers chase the short: clicks, conversion & impressions





Marketers see creativity as a risk

Key barriers to creative effectiveness





Actual

Driver	Profit Multiplier
Brand Size	x20
CREATIVE QUALITY	X12
Budget setting across markets	x5
Budget setting across portfolios	x3
Multimedia	x2.5
Brand/performance balance	x2.0
Budget setting across variants	x1.7
Cost / Product Seasonality	x1.6
Media Phasing	x1.2
TARGET AUDIENCE	X1.1

Marketers still undervalue creativity

What marketers think:

Targeting ranked in the top 3 by

Creativity ranked lower than 2nd by

American Marketers	European Marketers
61%	45%
68%	62%

System1 & Effie - Global Marketer Survey (N:386). Across US, EU, APAC. 2024.
 “Please rank these features from most to least important in driving profitability”



New American and European effectiveness databank with
CREATIVE QUALITY DATA



**REPRESENTING AN EST. \$139BIL+ MARKET SHARE
CAMPAIGNS RUNNING BETWEEN 2007 - 2023**

THE EFFIE CASE LIBRARY

1,265 campaigns selected across America & Europe (entrants, finalists and winners)

Inclusive of challenger brands and category leaders

50% of the cases used TV as primary touchpoint, 50% digital-led

Analysis of business and brand effects

SYSTEM1'S TEST YOUR AD DATABASE

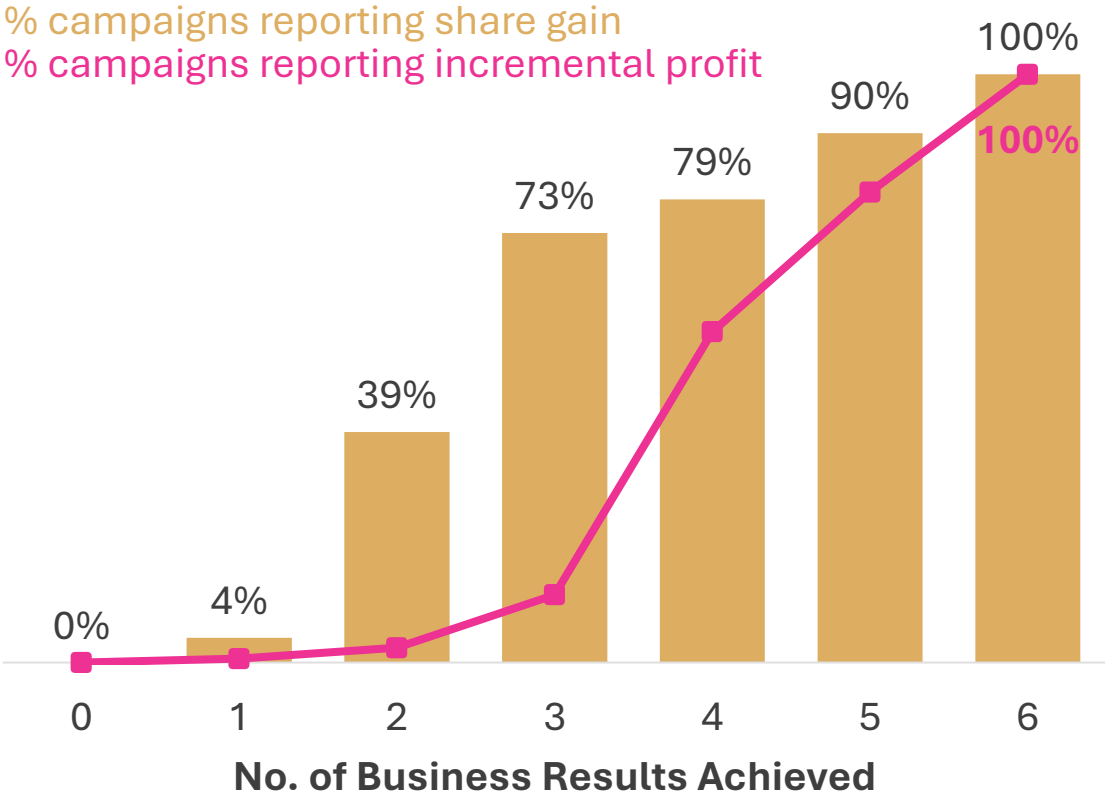
Creative quality data through the eyes of the customer

200,000+ global respondents interviewed

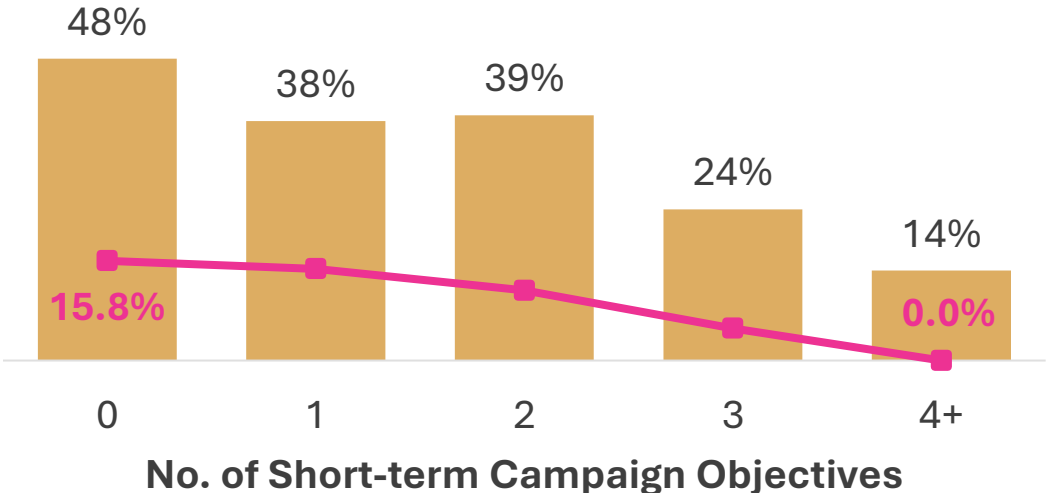
How emotional and distinctive ads really are



We won't be measuring clicks, impressions, or conversions...



Real Business Results: Incremental Revenue, Market Share, New Customers, Loyalty, Price Sensitivity and Profit



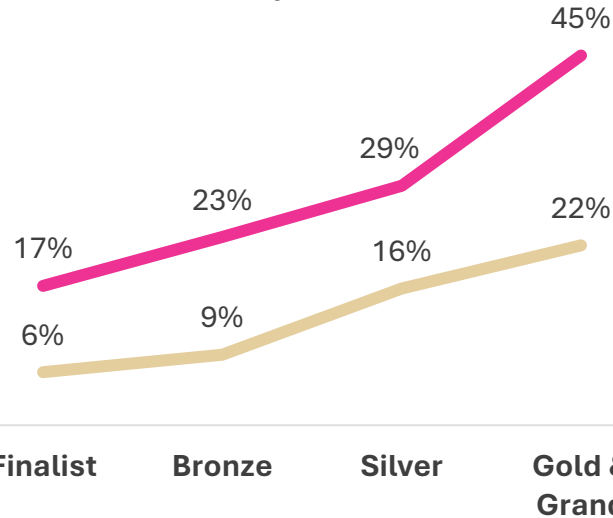
Reported Short-Term Campaign Objectives: Impressions, Engagement, Costs, Traffic, Recall, Order Value, Frequency.



Winning an Effie is a good measure of effectiveness...

The higher the award, the more profit and revenue.

% Reporting Incremental Profit or Revenue, per Effie Award

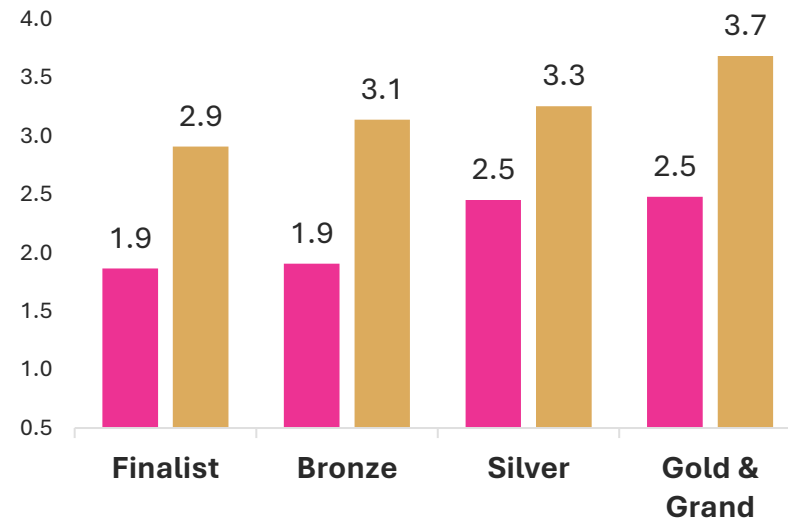


— % Reporting Profit

— % Reporting Profit or Return on Investment (Revenue)

The higher the award, the more brand and business results.

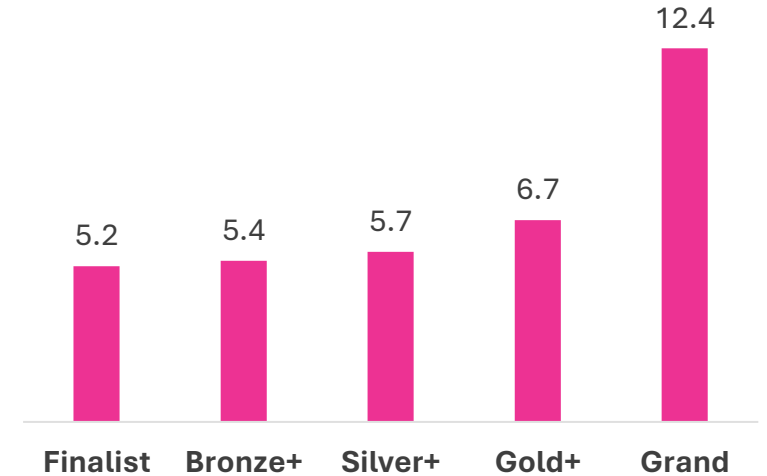
Avg. Business and Brand Effects, per Effie Award



■ Average Business Effects ■ Average Brand Effects

The higher the award, the more return on investment*.

Average ROI (Per Dollar/Pound/Euro)

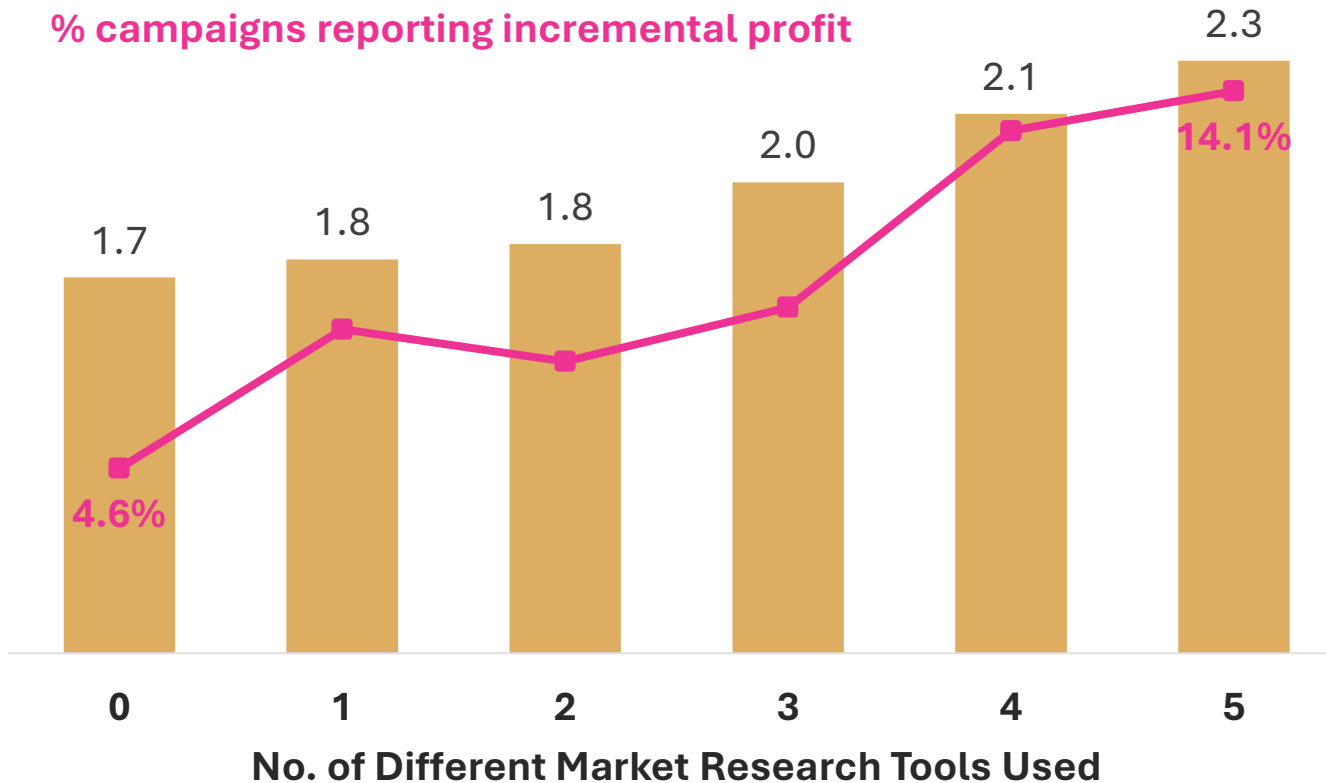




A word before we get into strategy and tactics...

avg. business results

% campaigns reporting incremental profit



Diagnosis comes first.

The more you know about your customer, the better.

Research tools tracked:
Concept Testing, Segmentation Data,
Brand Tracking, Creative Testing, Focus
Groups, Neuroscience



It's not “long”, it's lasting...

	Performance	Brand
Targets	Current Buyers	Current and Future Buyers
Attention	Expects it, so sells	Must earn it, so entertains
Works via	Reminding and Convincing	Emotion
Creates	Immediate Business Results	AND Enduring Brand Effects
Pays back	Now	AND in the future



The Two Types of Campaign Outcomes

Each case was analyzed by a team of effectiveness experts to understand which types of outcomes were achieved.

BUSINESS RESULTS

Revenue
Profit
Market Share
New Customers
Loyalty
Reduced Price Sensitivity

LASTING BRAND EFFECTS

Brand Awareness
Brand Image
Brand Equity
Consideration/Intent
Trust
Fame
Differentiation
Distinctiveness

Where does the creative data come from in this report?

Understanding and predicting how ads grow brands and convert demand

We used **System1's Test Your Ad** to analyze all the main campaign assets for the brands in this study. However, it was helpful that System1 test ever UK and US TV as standard. It's a research tool built on 25 years of experience linking creativity to in-market outcomes, as we've done in this research.

Test Your Ad measures how 150 people feel (second by second) whilst viewing an ad and whether they can correctly recall what brand the ad is for.

You'll see its key metrics used throughout this report:



Star Rating – The overall emotion felt, predicting an ad's long-term impact. Measuring 8 human universal emotions.



Spike Rating – Whether an ad brands early enough and how engaging it is, predicting short-term impact.



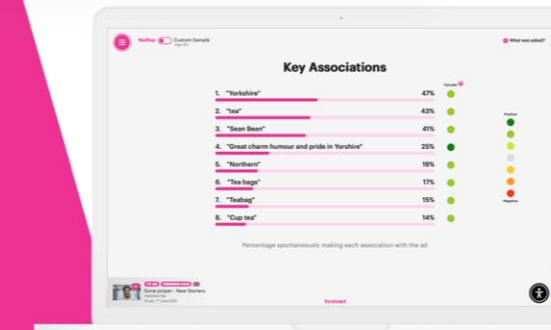
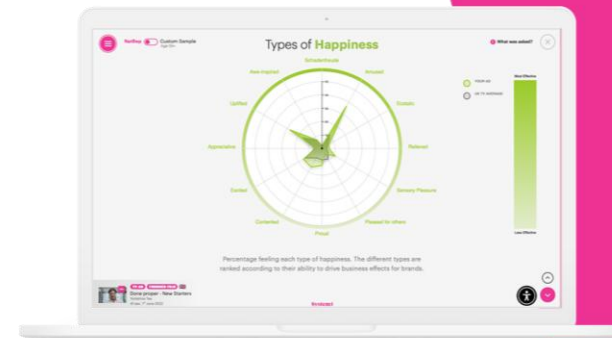
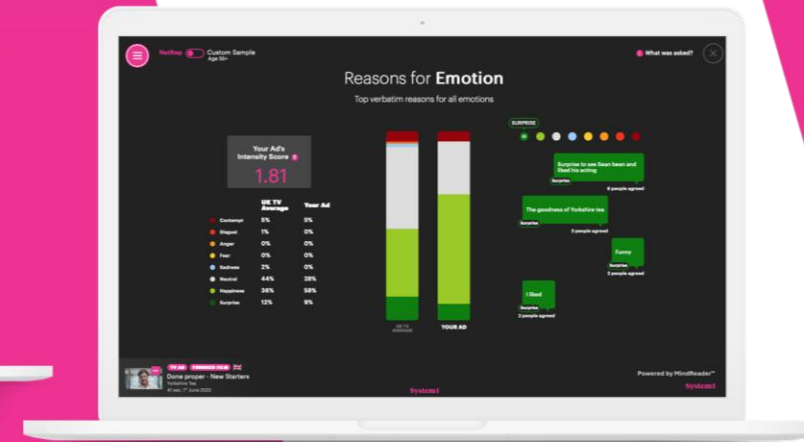
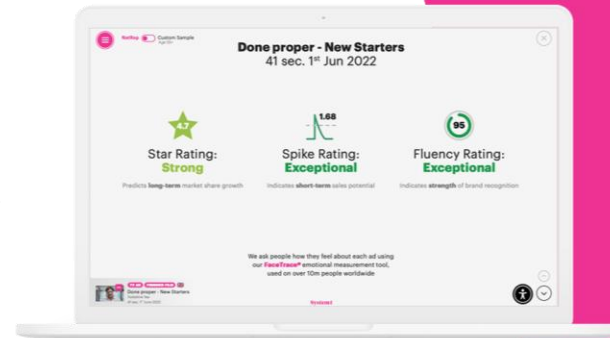
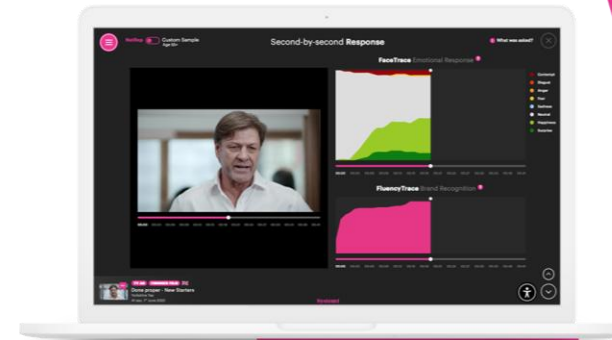
Fluency Rating – % correct brand attribution, second by second

Each test also collects diagnostic data, including which **Showmanship** and **Salesmanship Creative Features** were recognized, as well as **Spontaneous Associations** and the **Reasons Why** people felt the way they did.



Test Your Ad

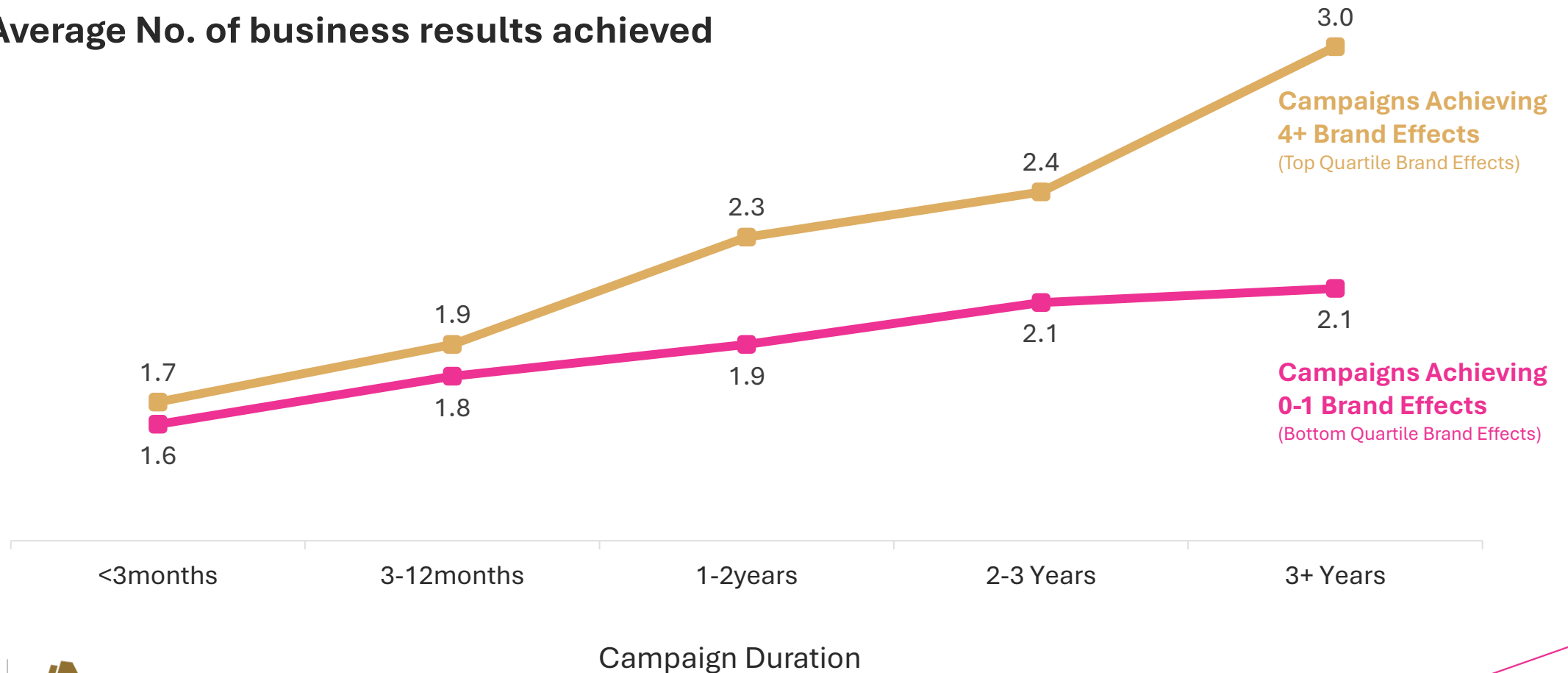
If you'd like to test your advertising, please [contact System1](#).



Lasting brand effects compound business results



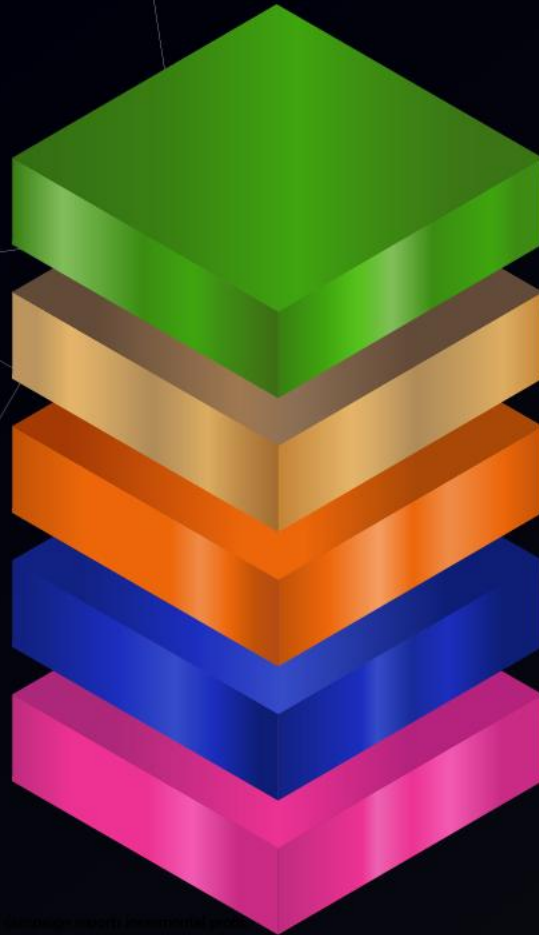
Average No. of business results achieved



EXTRA SHARE OF CREATIVITY (ESOC)

THE CREATIVITY STACK

Five global ways creativity
stacks to multiply profit.



COMPOUND CREATIVITY

ENTERTAINMENT

THE COST OF DULL

BRAND CODES

EMOTIONAL PAYBACK

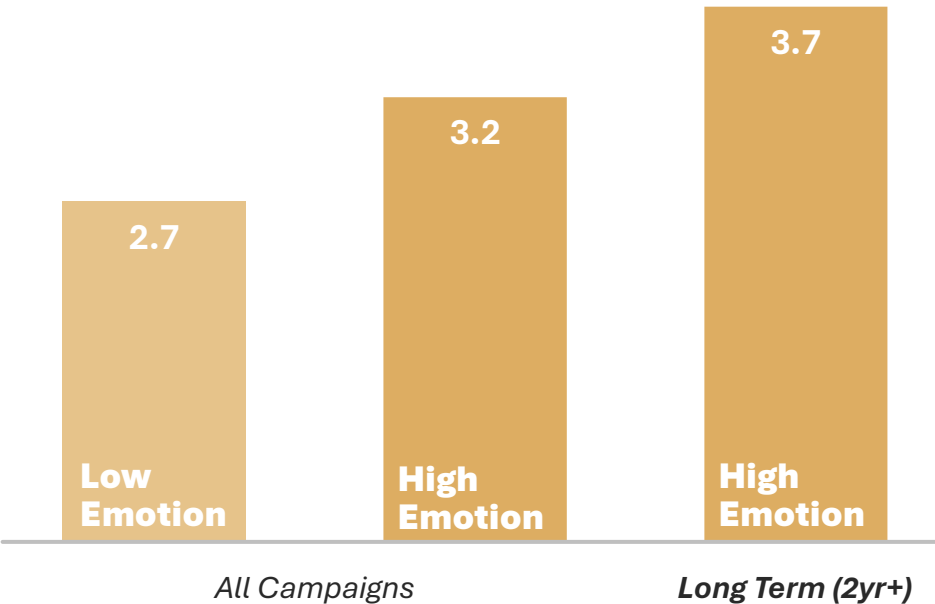
System1
Create with Confidence

 **effie**

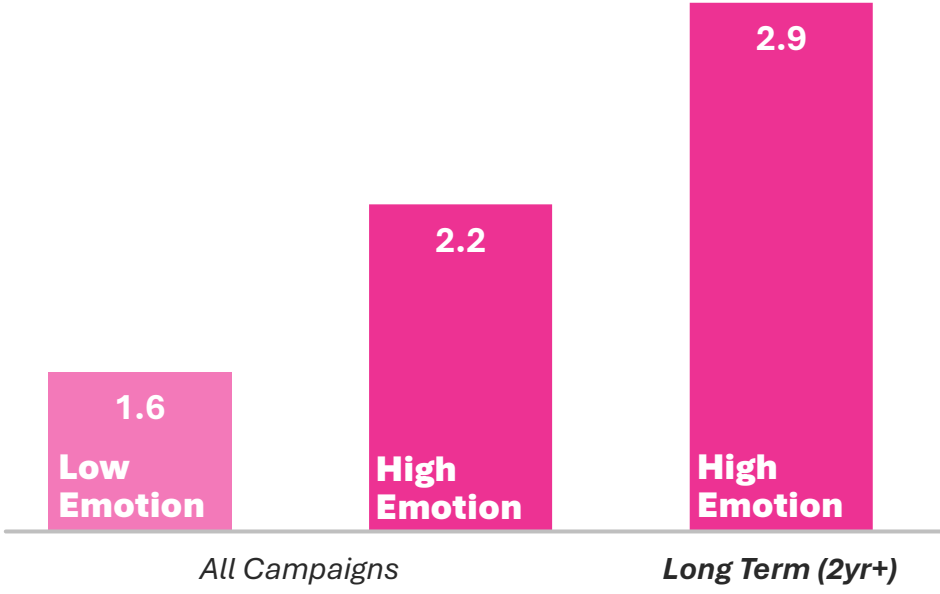


Being more emotional than competitors over years drives business and brand growth

Average No. Brand Effects,
all campaigns



Average No. Business Results,
all campaigns



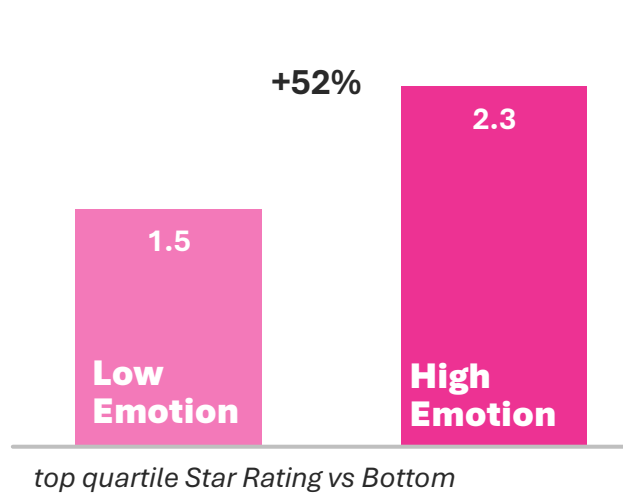
Split by Star Rating
System1's Ad Emotion Metric
Top vs Bottom Quartile



Emotion grows businesses globally

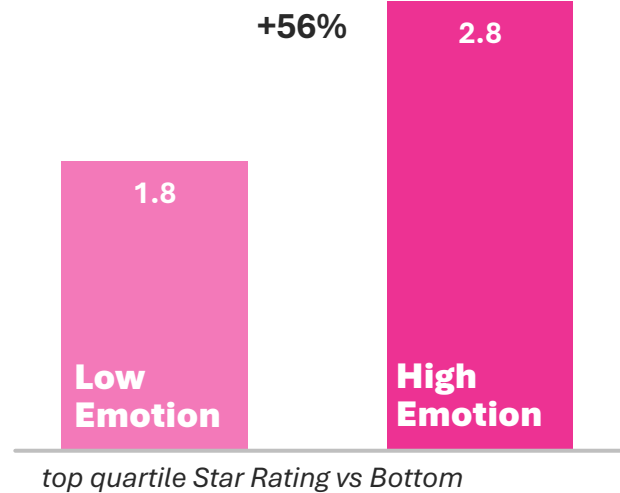
Americas

Average No. of Business Results



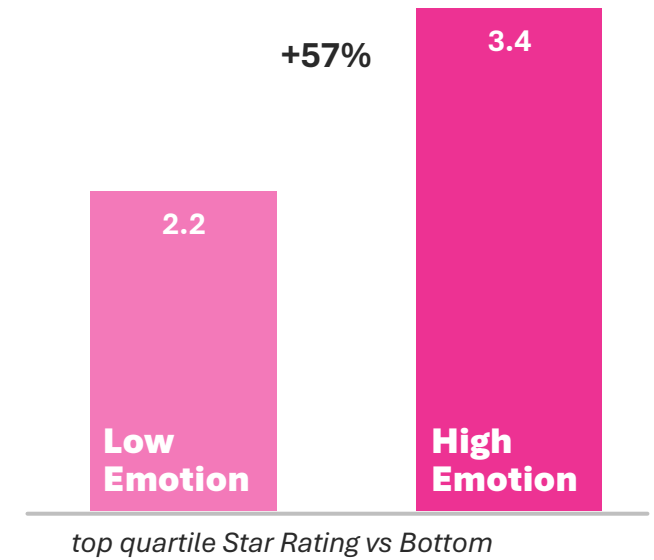
UK & Ireland

Average No. of Business Results



Europe

Average No. of Business Results



Americas

Average Star Rating



2.6

UK & Ireland

Average Star Rating



3.3

Europe

Average Star Rating

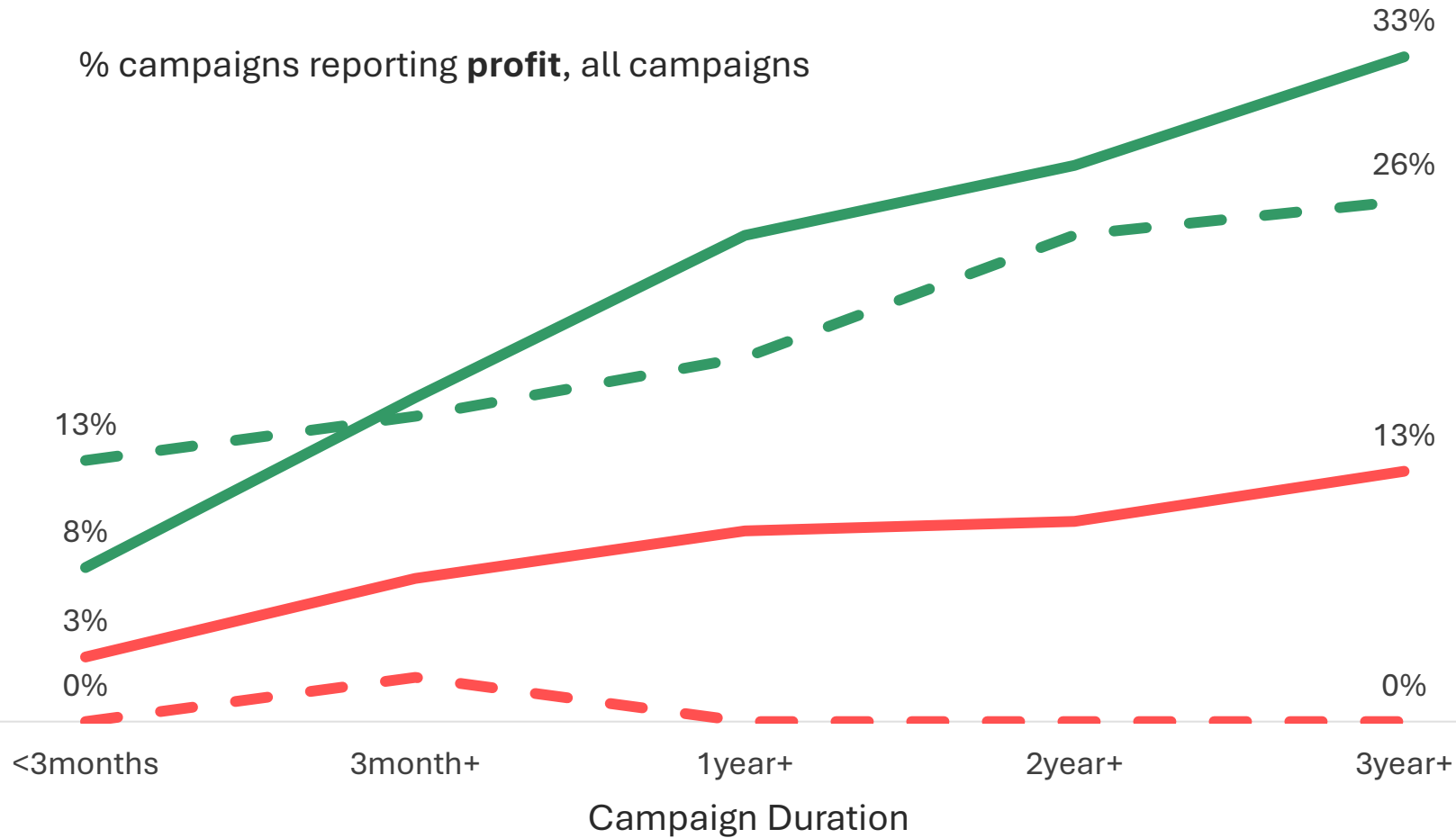


3.1



Reach everyone with emotional ads

% campaigns reporting **profit**, all campaigns



Broad Targeting & High Emotion

Narrow Targeting & High Emotion

Broad Targeting & Low Emotion

Narrow Targeting & Low Emotion



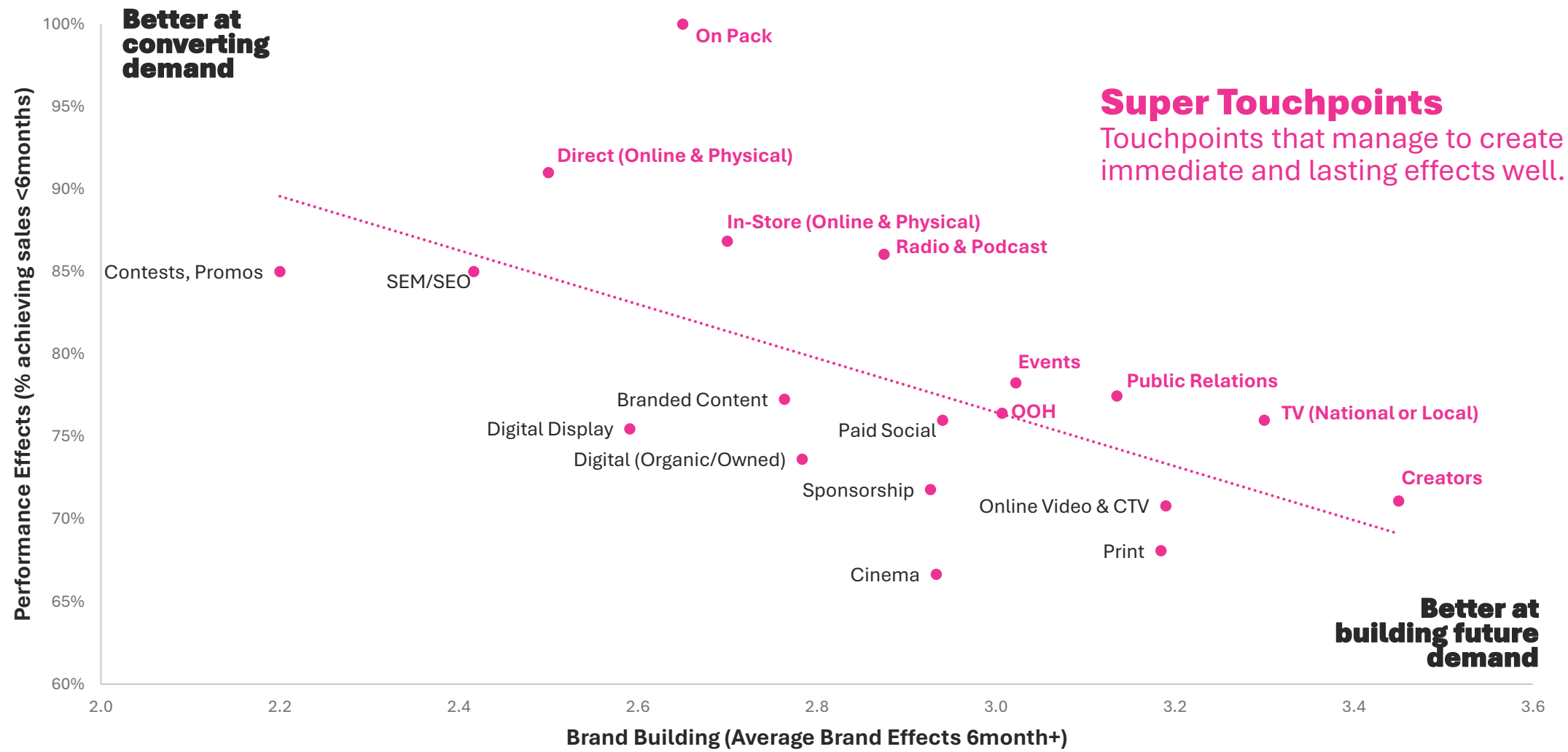
*top quartile
Star Rating*



*bottom quartile
Star Rating*



Touchpoint choices impact outcomes





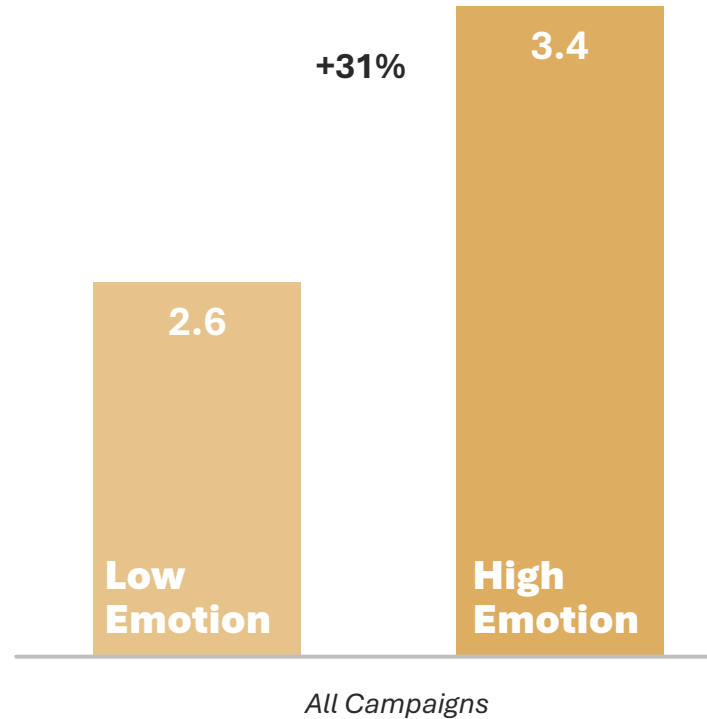
Emotion helps little brands grow like big ones

Brand Growth by Brand Size

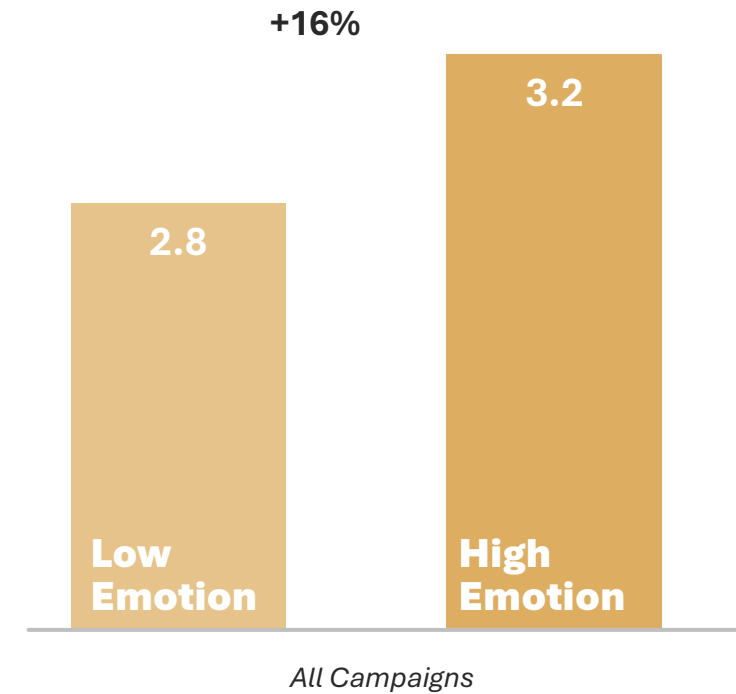


Split by Star Rating
System1's Ad Emotion Metric
Top vs Bottom Quartile

Challengers & Scale Brands
Average No. of Brand Effects



Category Leaders
Average No. of Brand Effects





But that doesn't matter if you don't brand

Brand Growth by Brand Size



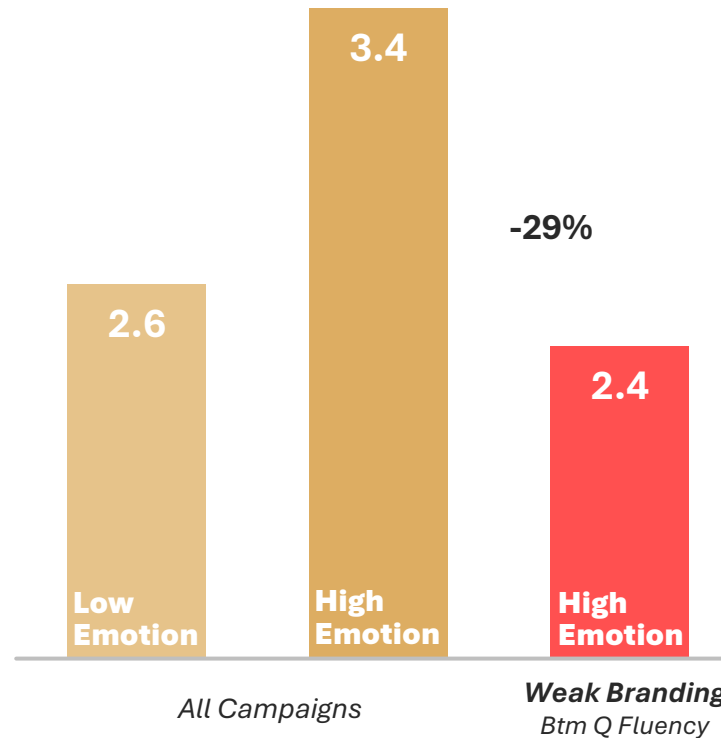
Split by Star Rating
System1's Ad Emotion Metric
Top vs Bottom Quartile



With Low Fluency Rating
System1's Brand-Ad Linkage Metric,
Bottom Quartile

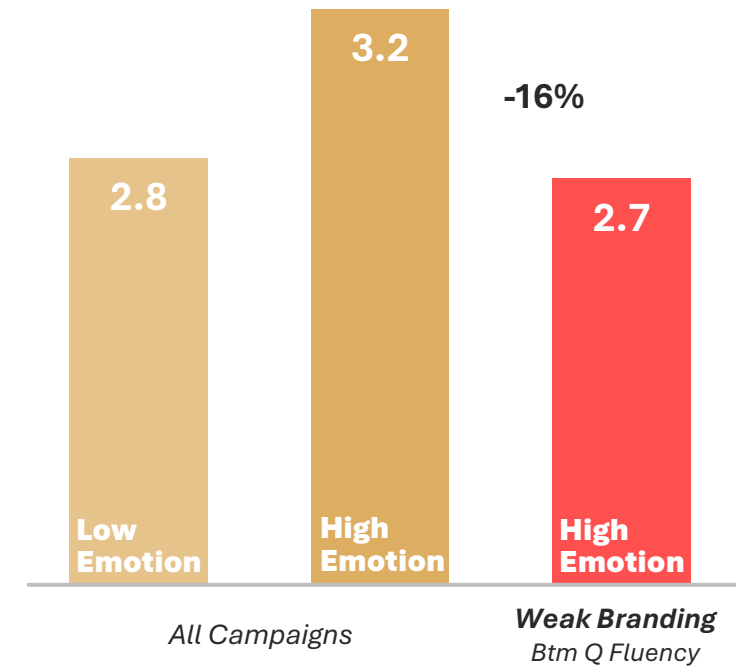
Challengers & Scale Brands

Average No. of Brand Effects



Category Leaders

Average No. of Brand Effects





% correct brand recall after watching ad

For creativity to work we must use brand codes

Globally, 2 of 10 viewers have no
idea what brand an ad is for...

81%

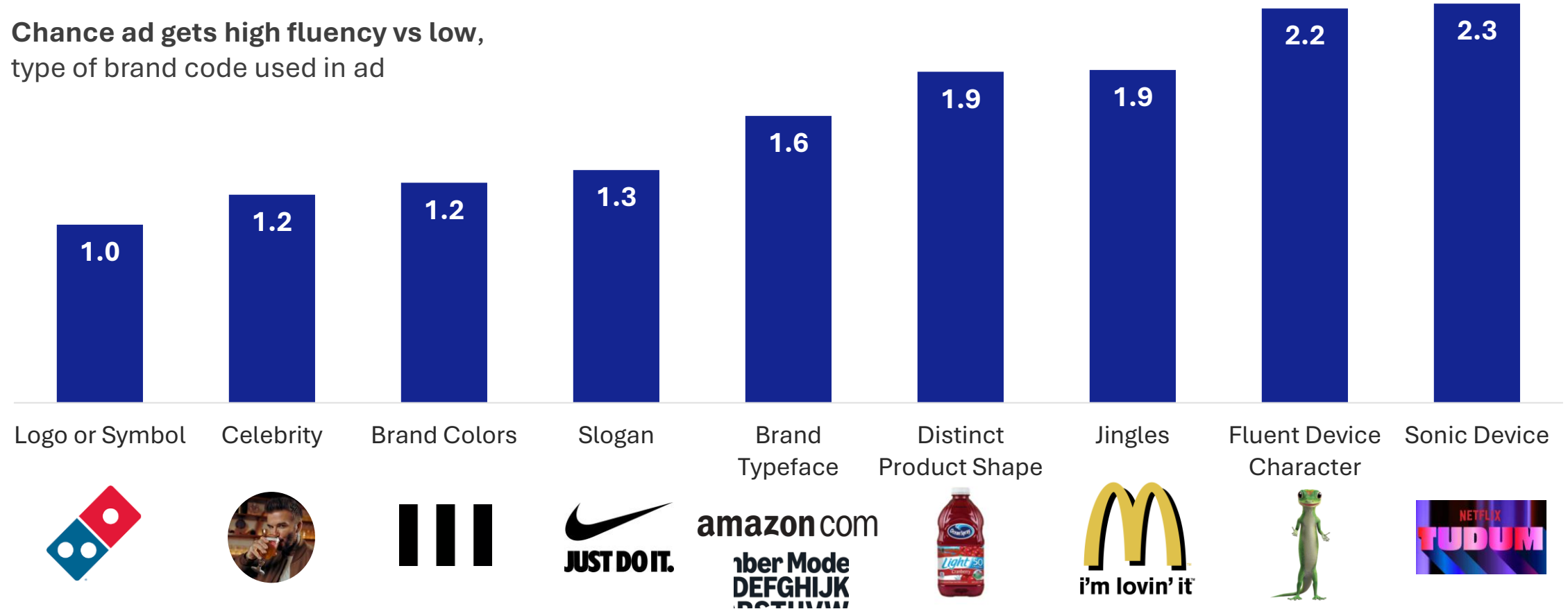
Full Watch
% Fluency

45%

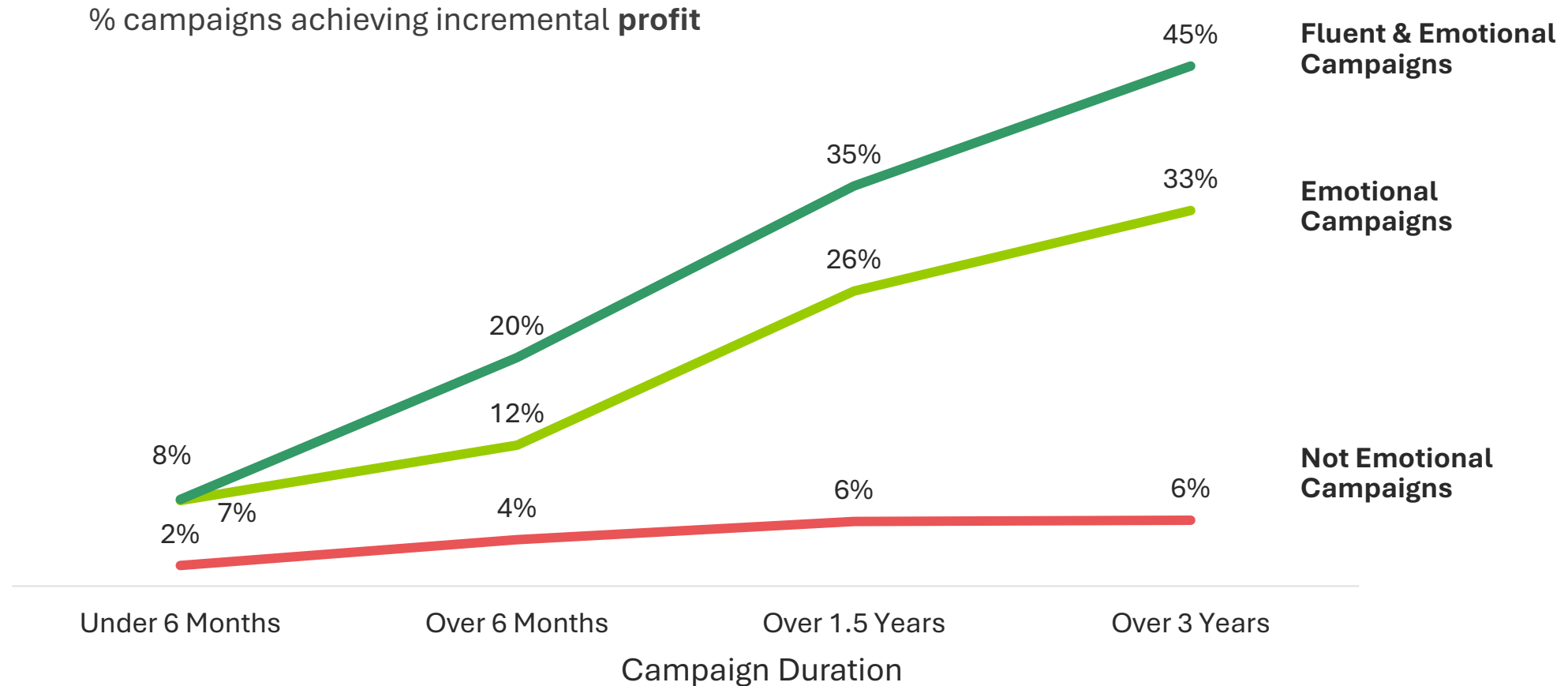
5sec Watch
% Fluency

It's not just a logo

Chance ad gets high fluency vs low,
type of brand code used in ad



Emotional advertising is important, but so is being distinctive





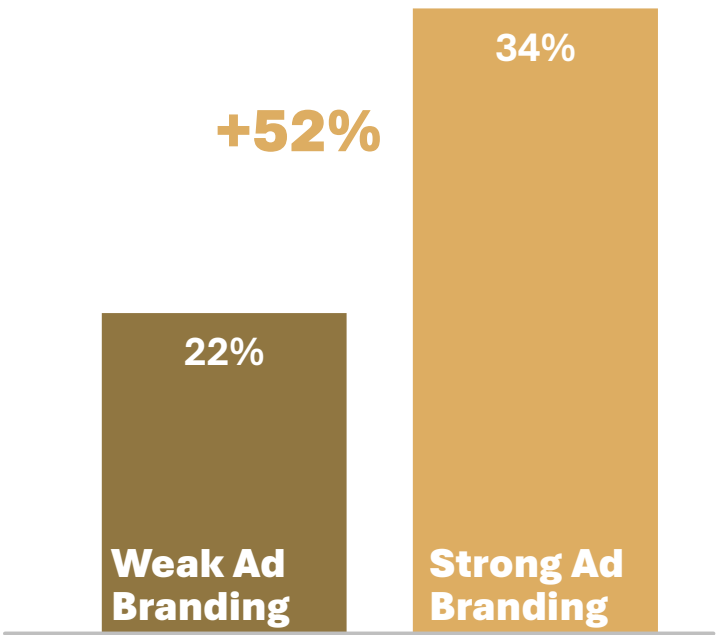
Well-branded ads grow brand Distinctiveness and Differentiation



Split by Fluency Rating
System1's Brand-Ad Linkage
Metric, Top vs Bottom Quartile

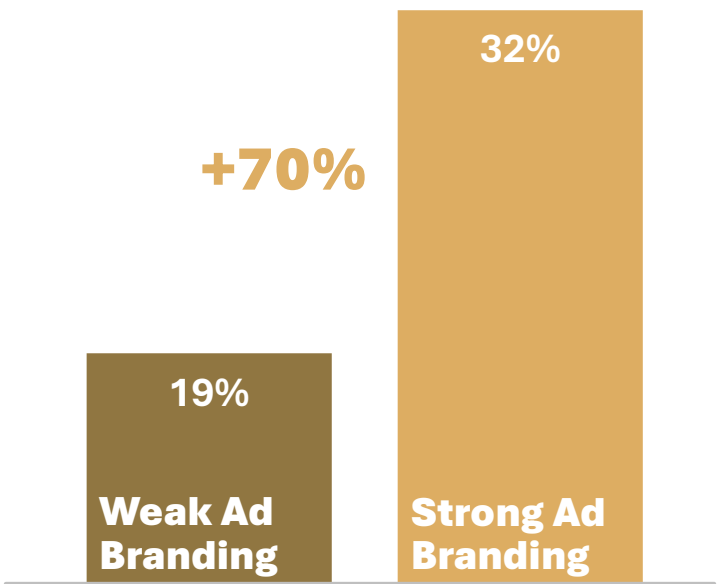
Growing Brand DIFFERENTIATION

% campaigns growing brand differentiation, fluent vs not fluent ads



Growing Brand DISTINCTIVENESS

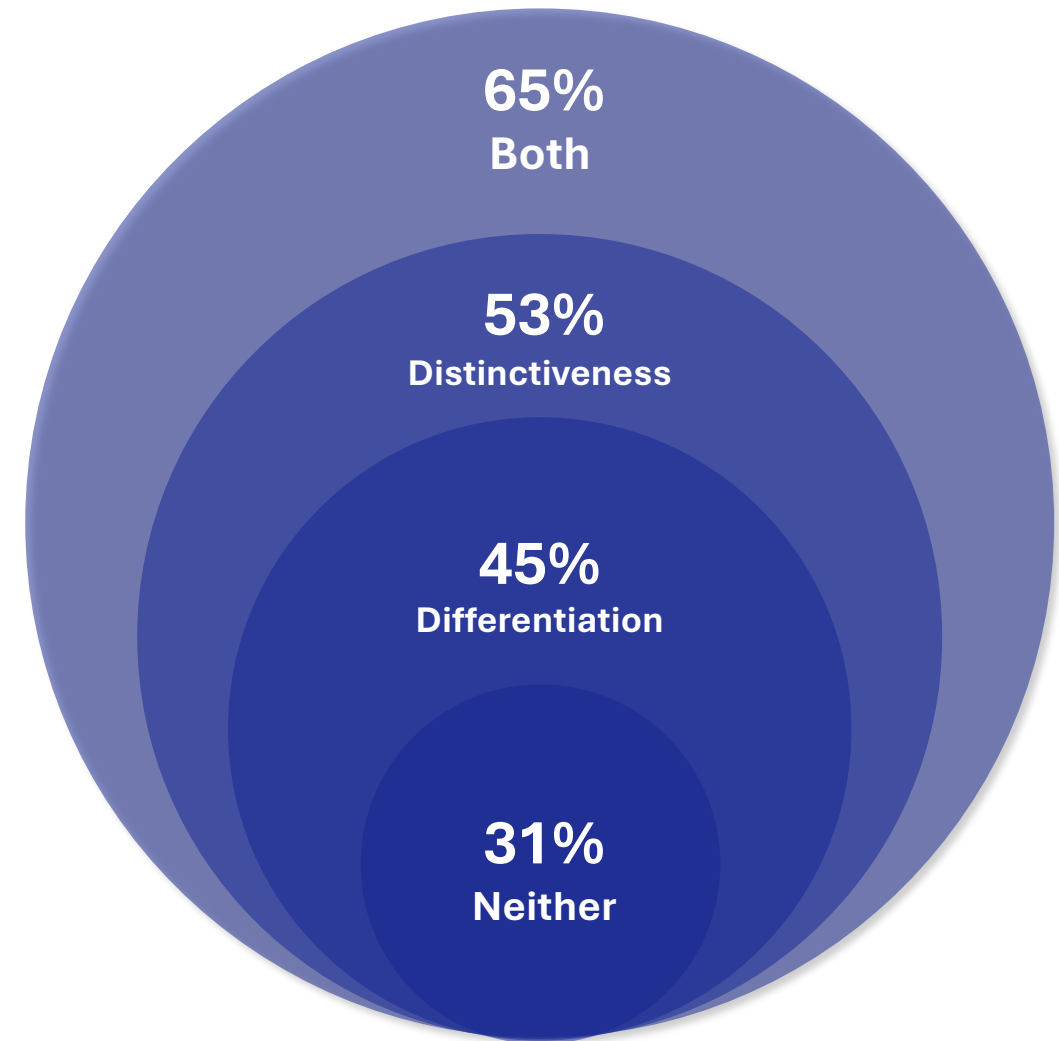
% campaigns growing brand distinctiveness, fluent vs not fluent ads





% all campaigns achieving
Share Growth

**Differentiation and
Distinctiveness are
just as important**

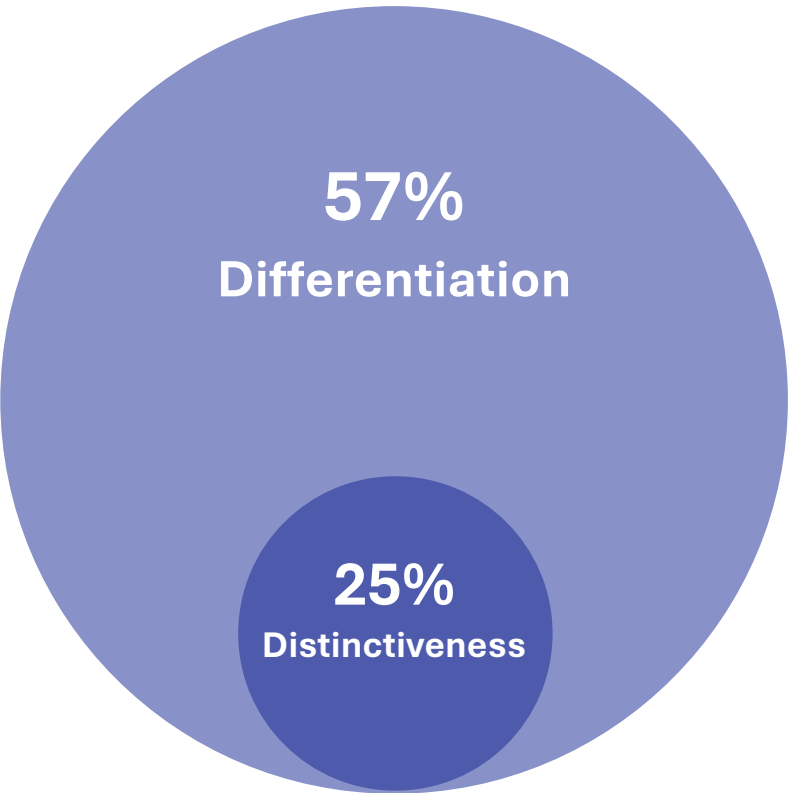


Split by campaigns achieving
Differentiation or Distinctiveness gains



But Differentiation is far more important for Challenger Brands...

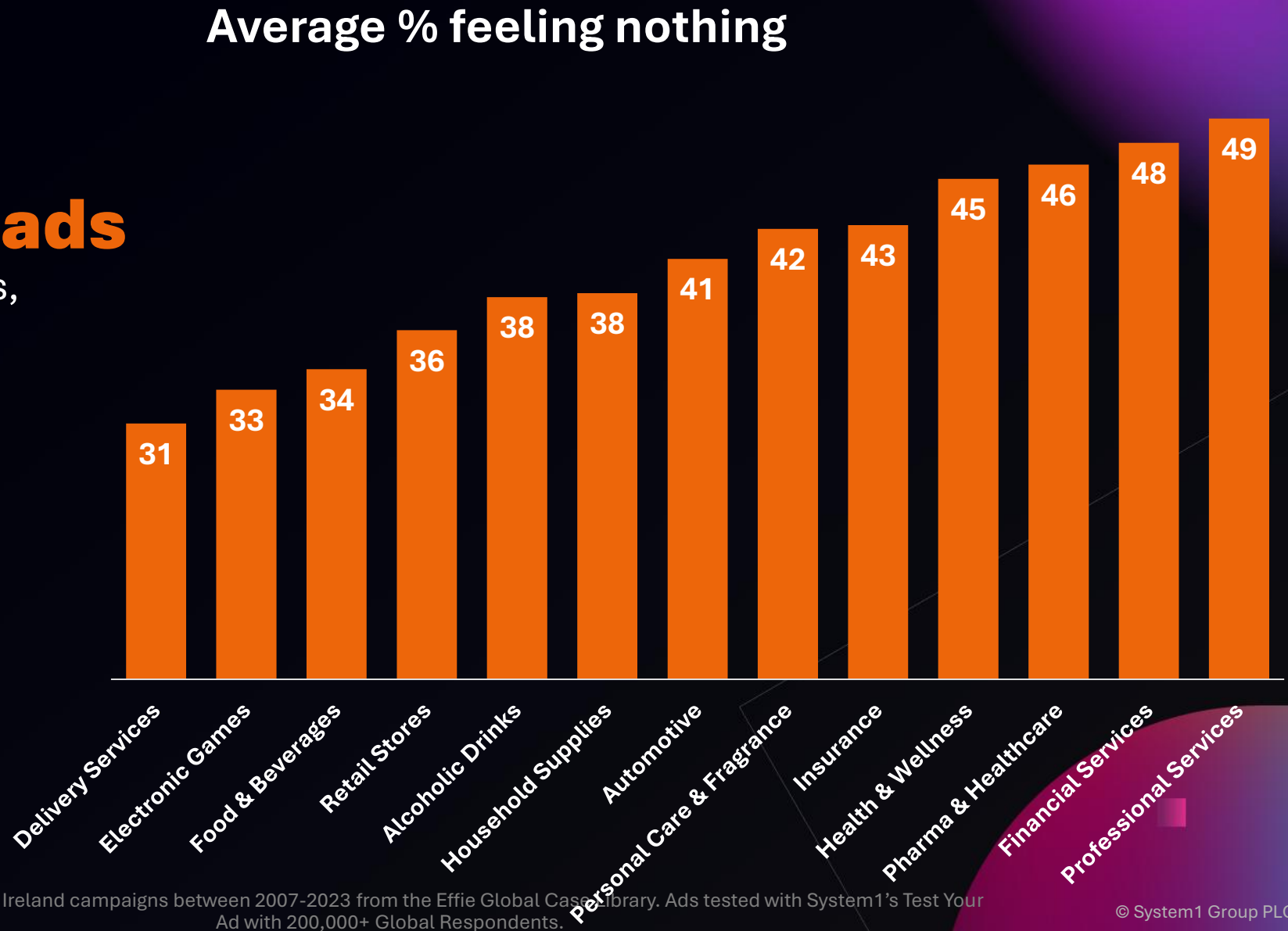
% Challenger Brand campaigns achieving
Share Growth



Split by campaigns achieving
Differentiation or Distinctiveness gains

There's some seriously dull ads

% neutrality felt towards ads,
all campaigns





Average ROI (Per Dollar/Pound/Euro)

Dull campaigns pay back 40% less

The most neutral campaigns
vs the least neutral campaigns

\$4.4
Most Dull
(Top 25%)

\$7.1
Least Dull
(Btm 25%)

We also coded all campaigns to understand how entertaining they were

Salesmanship

Flatness

Abstracted product, feature, ingredient

Abstracted body part (e.g. hands, mouth)

Words obtrude during the ad

Voiceover

Monologue (e.g. testimonial)

Adjectives used as nouns

Freeze-frame effect

Audio repetition (metered prose, sound effects)

Highly rhythmic soundtrack

Facial frontality (the stare, looking into the camera)

Self-consciousness (e.g. looking into mirror)

Empty smile (socially willed/out of context)

Product-centricity (focus on things)

Split-screen effect (abstraction)

Showmanship

A clear sense of place

One scene unfolding with progression

Characters with agency (voice, movement, expression)

Implicit, unspoken communication (knowing glances)

Dialogue

Distinctive accents

Play on words or subversion of language

Set in the past (costumes & sets)

Reference to other cultural works (pastiche/parody)

Music with melody

Spontaneous change in facial expression

Something out of the ordinary (emerging from scene)

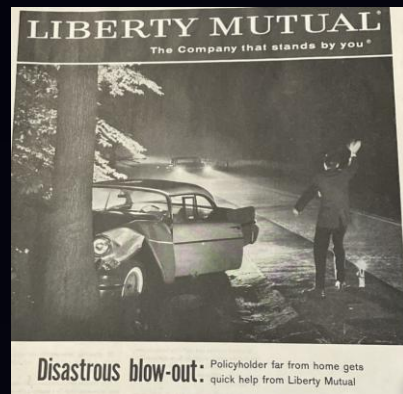
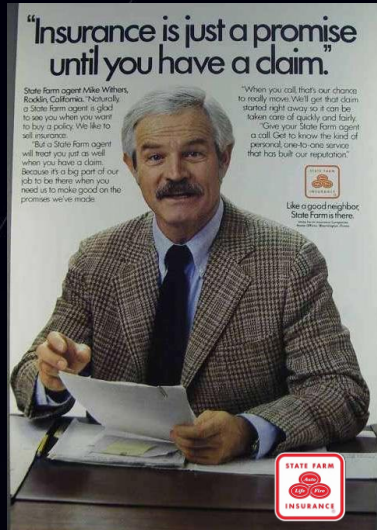
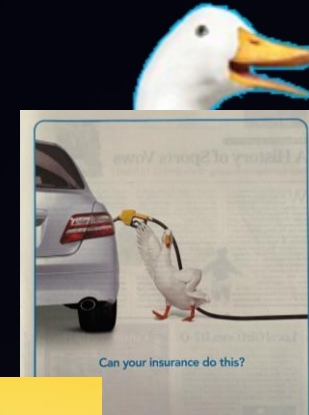
Animals (the living)

Animated characters (suggesting the living)

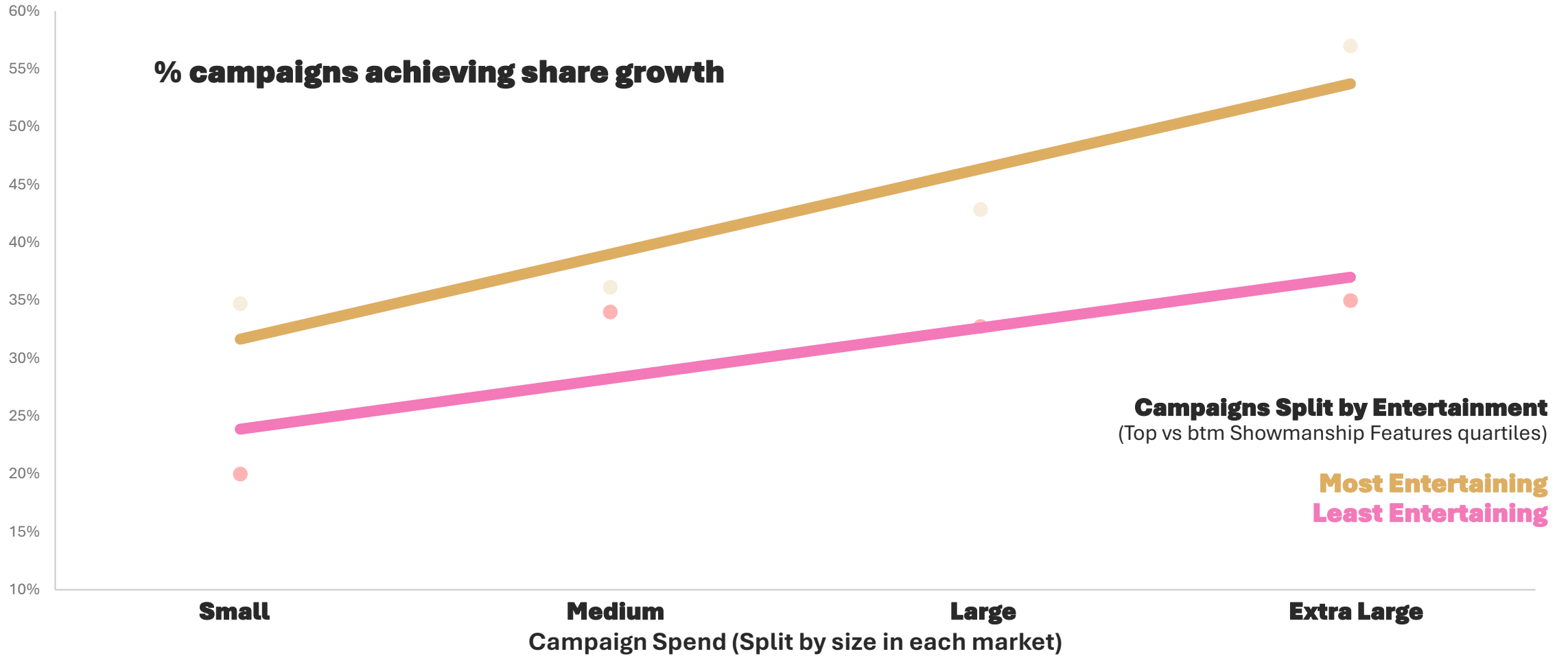
People touching (intimacy)

Rational & Dull

Entertaining



Entertaining ads make media spend work harder



STACK CREATIVITY TO INCREASE PROFIT LIKELIHOOD X21

EXTRA SHARE OF CREATIVITY (ESOC)

THE CREATIVITY STACK

Five global ways creativity stacks to multiply profit.

System1
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PROFIT MULTIPLIER

COMPOUND CREATIVITY	X2.9
ENTERTAINMENT	X1.5
THE COST OF DULL	X1.6
BRAND CODES	X1.4
EMOTIONAL PAYBACK	X2.4

Likelihood campaign reports incremental profit.
Top vs bottom quartile for each creativity type.



Compound Creativity Score

A holistic brand metric measured over multiple years

Creative Foundations

Consistent Positioning
Creative Idea Tenure
Agency Tenure

Culture of Consistency

Creative Wear In
Cross Channel Consistency
Commitment to Showmanship
Reusing Creative Assets

Consistent Execution

Consistent Brand Assets
Fluent Device & Celeb Tenure
Soundtrack Commitment
Consistent Tone of Voice

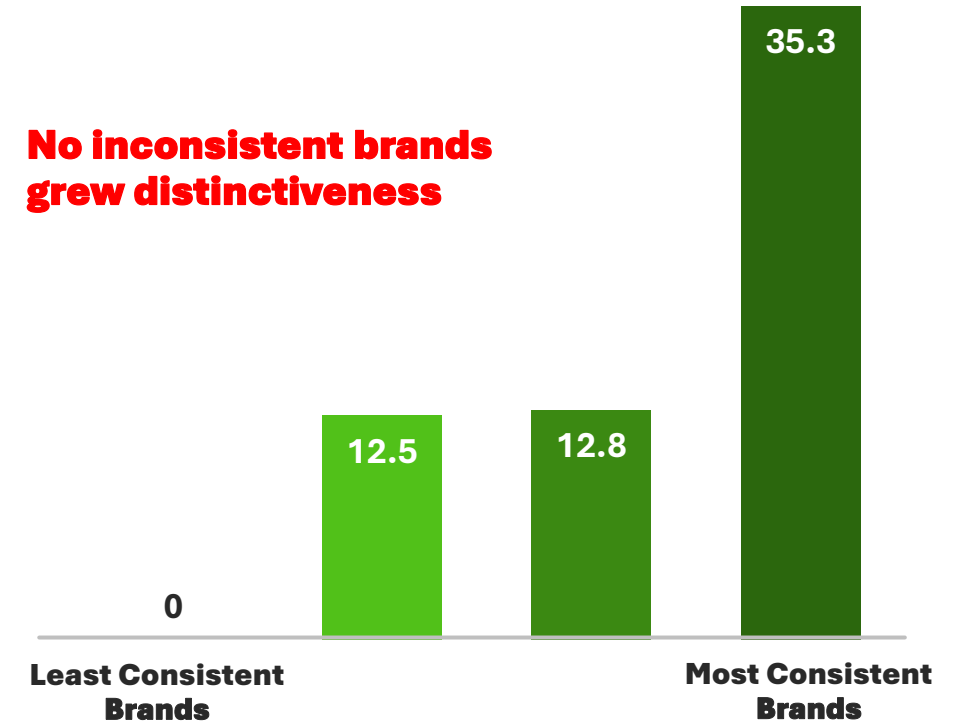
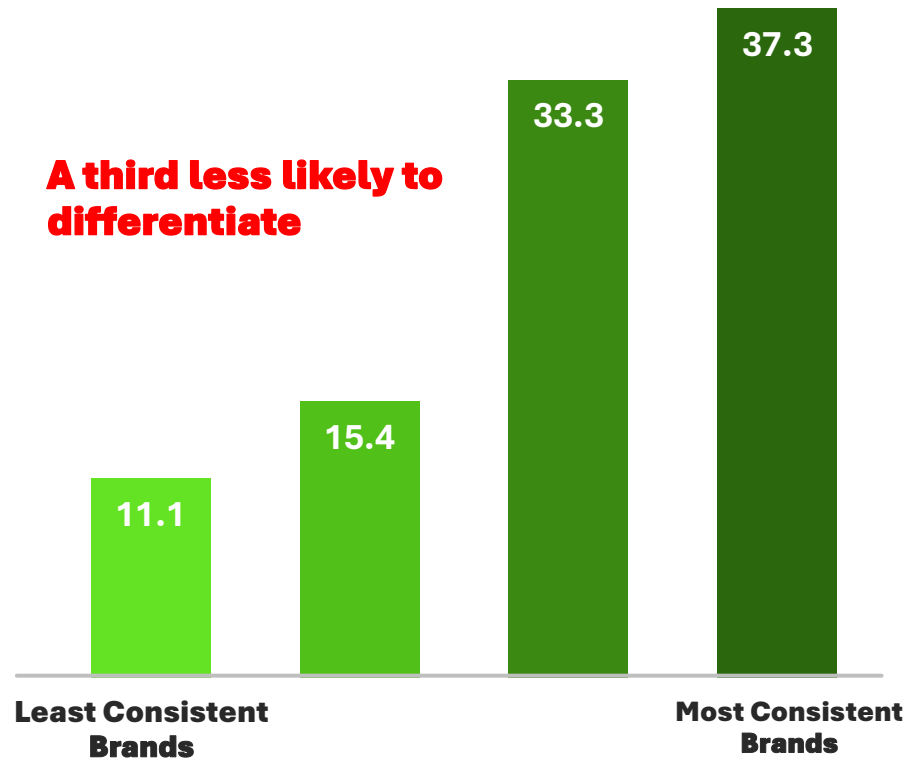


The penalty of change

139 US and UK brands coded for 13 different creative consistency features over 5 years matched to the Effie Case Library.

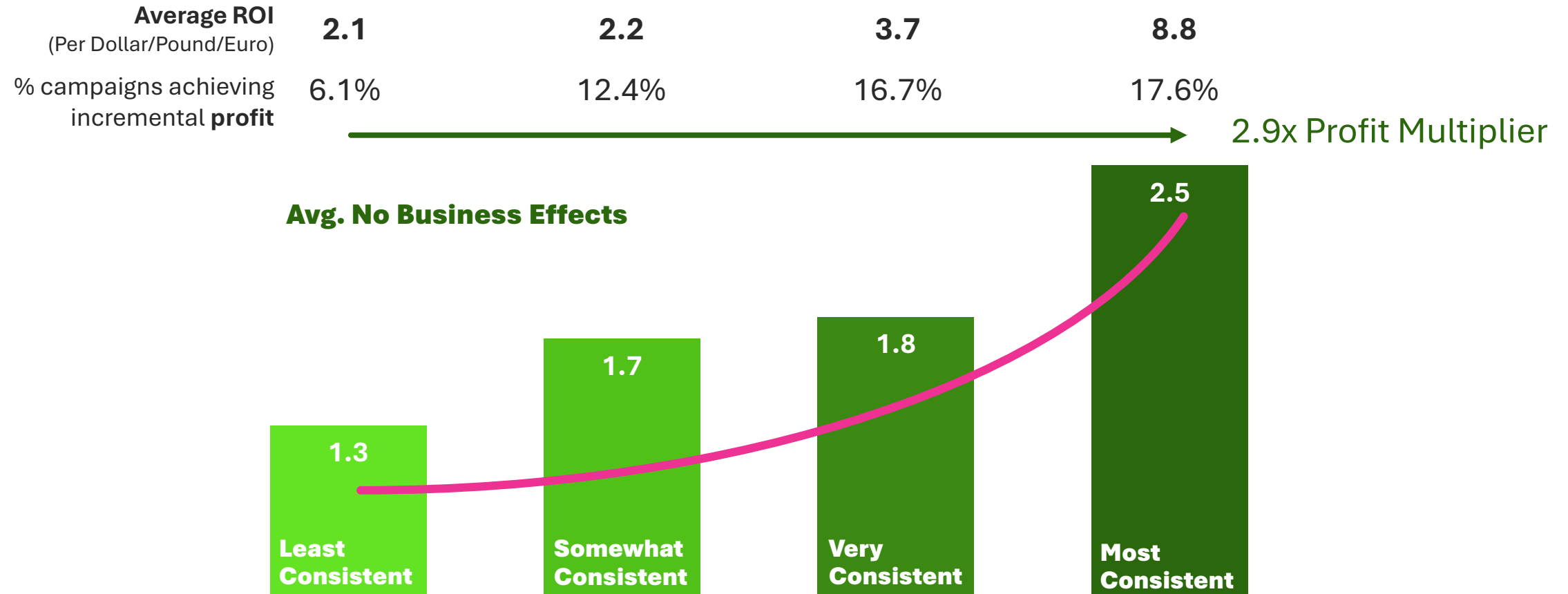
% campaigns growing differentiation

% campaigns growing distinctiveness





Consistency compounds creativity



Brands split into Creative Consistency Score quartiles, matched to the UK & US Effie case library (measured over 5 years)

139 US and UK brands coded for 13 different creative consistency features over 5 years matched to the Effie Case Library. Split into quartiles, see “Compound Creativity” for more

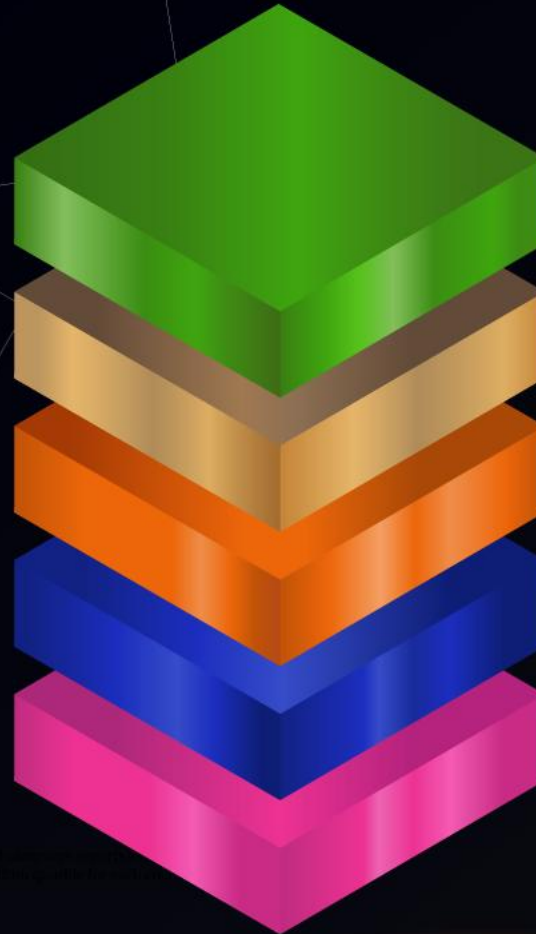
STACK CREATIVITY TO INCREASE PROFIT LIKELIHOOD X21

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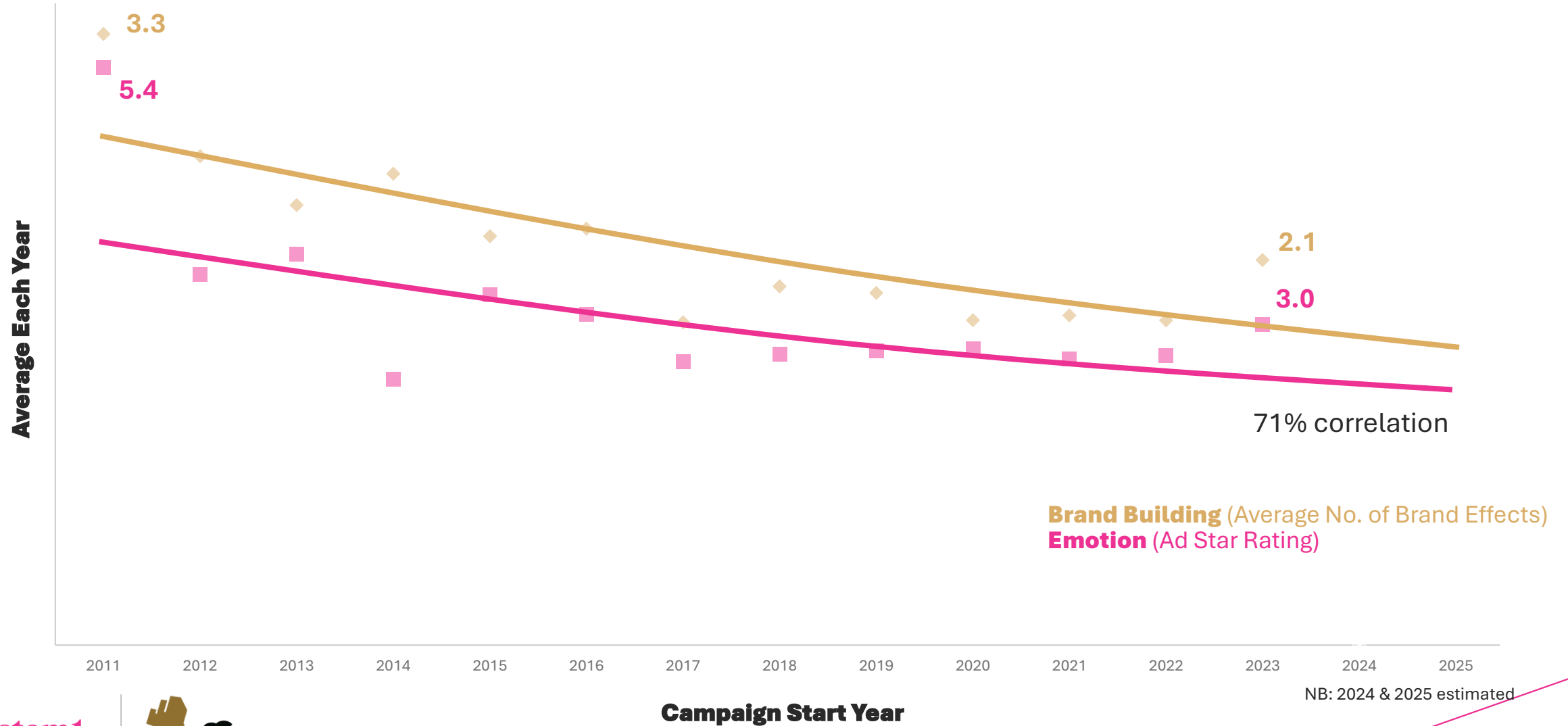


PROFIT MULTIPLIER

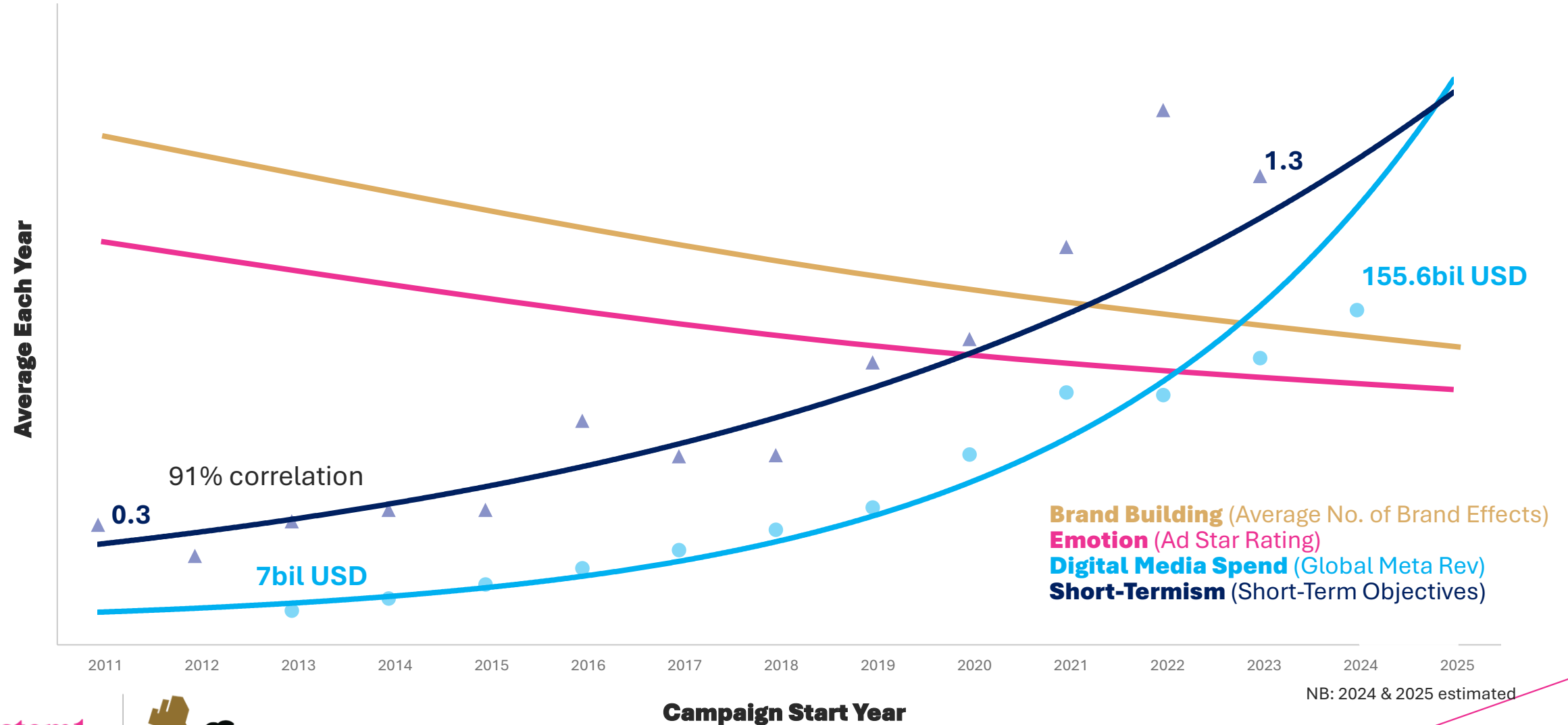
COMPOUND CREATIVITY	X2.9
ENTERTAINMENT	X1.5
THE COST OF DULL	X1.6
BRAND CODES	X1.4
EMOTIONAL PAYBACK	X2.4

Likelihood campaign reports incremental profit.
Top vs bottom quartile for each creativity type.

The steady decline in brand building and emotion

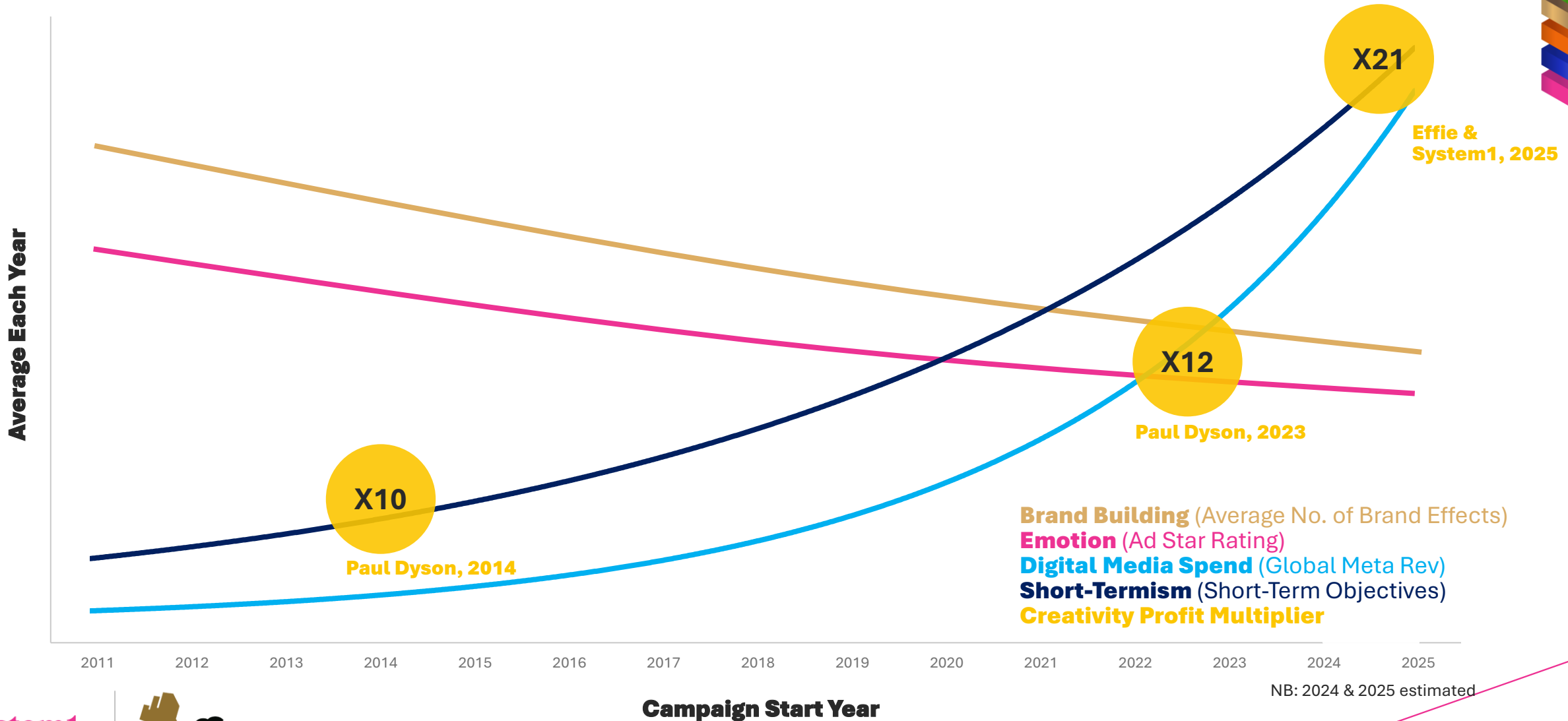


The rise in digital media with short-termism





Creativity is becoming more important



THE CREATIVE DIVIDEND



Andrew Tindall
SVP Global Partnerships



System1
Create with Confidence

