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Creativity in Advertising When It Works and When It Doesn't

by Werner Reinartz and Peter Saffert

ASK A PROFESSIONAL in the business what the key to success is in advertising, and you'll most likely get an answer that echoes the mantra of Stephan Vogel, Ogilvy & Mather Germany's chief creative officer: "Nothing is more efficient than creative advertising. Creative advertising is more memorable, longer lasting, works with less media spending, and builds a fan community...faster."

But are creative ads more effective in inspiring people to buy products than ads that simply catalogue product attributes or benefits? Numerous laboratory experiments have found that creative messages get more attention and lead to positive attitudes about the products being marketed, but there's no firm evidence that shows how those messages influence purchase behavior. Similarly, there is remarkably little empirical research that ties creative messaging to actual sales revenues. Because product

and brand managers—and the agencies pitching to them—have lacked a systematic way to assess the effectiveness of their ads, creative advertising has been a crapshoot.

Drawing on research in communications psychology, we have developed a consumer survey approach for measuring perceived creativity along five dimensions. We applied this approach in a study of 437 TV advertising campaigns for 90 fast-moving consumer goods brands in Germany from January 2005 to October 2010. We asked a panel of trained consumer raters to assess the creativity of the ads, and we examined the relationships between their perceptions and sales figures for the products. All the product categories we studied—body lotion, chewing gum, coffee, cola and lemonade, detergent, facial care, shampoo, shavers, and yogurt—are highly competitive and invest heavily in advertising.

Our findings confirm the conventional wisdom that creativity matters: Overall, more-creative campaigns were more effective—considerably so. We also found that certain dimensions of creativity are more effective than others in influencing purchasing behavior—and that many companies focus on the wrong dimensions in their campaigns. Moreover, we believe that by tailoring the survey model to reflect the cultural preferences and triggers of consumers in different geographic markets, companies the world over can dramatically improve their ability to predict the likely effectiveness of their creative ads and thus make smarter investments.

What Is Creativity?

In coming up with dimensions along which to measure creativity, we drew on social and educational psychology literature that defines creativity as divergent thinking—namely, the ability to find unusual and nonobvious solutions to a problem. One of the pioneers in the field was Ellis Paul Torrance, an American psychologist, who developed the Torrance Tests of Creative Thinking (TTCT), a battery of measures used to assess individuals' capacity for divergent thinking in the business world and in education. Torrance scored responses to test questions along five dimensions: fluency, originality, and

elaboration (borrowed from the work of Joy Paul Guilford, another American psychologist) as well as abstractness and what he called resistance to premature closure.

Fluency refers to the number of relevant ideas proposed in response to a given question (such as "list as many uses as you can for a paper clip"), and originality measures how uncommon or unique the responses are. Elaboration refers to the amount of detail given in a response, and abstractness measures the degree to which a slogan or a word moves beyond being a label for something concrete. Resistance to premature closure measures the ability to consider a variety of factors when processing information.

In the early 2000s Torrance's measures were adapted for advertising by the Indiana University communications researcher Robert Smith and his colleagues. They adjusted the definition of creativity to refer to "the extent to which an ad contains brand or executional elements that are different, novel, unusual, original, unique, etc." Their goal was to measure creativity using only those factors most relevant to an advertising context. They came up with five dimensions of advertising creativity, which form the basis for our survey.

Originality. An original ad comprises elements that are rare or surprising, or that move away from the obvious and commonplace. The focus is on the uniqueness of the ideas or features contained in the ad. An ad can diverge from norms or experiences by applying unique visual or verbal solutions, for instance. Many advertising campaigns are anything but original. The prototypical detergent spot shows a homemaker satisfied with an even whiter wash; perfumes feature picture-perfect models; and cars cruise through beautiful landscapes free of traffic. One campaign we studied that excelled in the originality dimension was the surprising visualization of the inside of a vending machine in the Coca-Cola commercial "Happiness Factory."

Flexibility. An ad scoring high on flexibility smoothly links the product to a range of different uses or ideas. For example, a commercial for the Kraft Foods coffee brand Jacobs Krönung, which aired in Germany in 2011 and 2012, showed a man facing various domestic challenges (washing dishes, sewing a button on a jacket, dicing an onion, and making a bed) while a group of women enjoyed a cup of coffee together.

Elaboration. Many ads contain unexpected details or extend simple ideas so that they become

Choosing the Right Model

In analyzing the relationship between creativity and advertising effectiveness, companies typically use sales response models that are based on conventional regression analyses. We have found, however, that such regression is problematic because it assumes that the input variables (creativity and ad budget, say) are independent of one another in their effect. **In the real world, the longer a creative ad is aired, the more impact the creativity has on sales.**

That's why we use a hierarchical sales response model. Hierarchical models get around the problem by nesting one regression model within another. This allows us to see both the direct impact of creativity on sales and the amplifying effect of the budget, and thus arrive at a more accurate overall estimate of the effect of creativity on sales.

Idea in Brief

Numerous lab experiments have found that creative advertisements get attention and lead to positive attitudes about the products being marketed. But there's no firm evidence showing how those messages influence purchase behavior.

A new consumer survey approach addresses that problem by measuring perceived creativity along five dimensions: originality, flexibility, elaboration, synthesis, and artistic value.

The authors applied their model in a study of 437 TV advertising campaigns for 90 fast-moving consumer goods brands in Germany.

An analysis of the survey assessments relative to sales figures confirmed that more-creative campaigns were, on average, more effective. The results also showed that certain dimensions of creativity are more effective than others, and that the dimensions often work better in combination.

The findings suggest that by focusing on the wrong

dimensions in their campaigns, many companies are failing to make the most of their ad investments.

more intricate and complicated. One good example is an ad for Ehrmann fruit yogurt—one of the leading brands in Germany—in which a woman eating yogurt licks her lips to reveal that her tongue looks just like a strawberry (Ehrmann made different versions of the spot for different flavors), considerably deepening the idea of fruitiness in yogurt. In another example, an ad for Wrigley's 5 gum, a man is submerged in tiny metal balls that bounce off his skin to represent the tingle one feels while chewing the gum.

Synthesis. This dimension of creativity is about blending or connecting normally unrelated objects or ideas. For example, Wrigley aired a commercial that featured rabbits corralled like cattle and fed bananas, berries, and melon, making their buckteeth grow in as Juicy Fruit Squish chewing gum. The commercial combines unrelated objects (rabbits and chewing gum) to create a divergent story line.

Artistic value. Ads with a high level of artistic creativity contain aesthetically appealing verbal, visual, or sound elements. Their production quality is high, their dialogue is clever, their color palette is original, or their music is memorable. As a result, consumers often view the ads as almost a piece of art rather than a blatant sales pitch. One ad we studied, which scored among the highest in artistic value, was an animated commercial for Danone's Fantasia yogurt that aired at the end of 2009. It showed a woman floating on a flower petal through a sea of Fantasia yogurt, surrounded by flowers laden with fruits.

In our study, we asked a panel of trained consumer raters to score the German TV ad campaigns on each of these dimensions, on a scale of 1 to 7; the campaign's overall creativity rating was the average of its scores. We then looked for relationships between each campaign's score, its advertising budget, and the campaign's relative sales effectiveness. (For a brief discussion of the statistical methods we used in our study, see the sidebar "Choosing the Right Model".)

What We Found

Our study revealed dramatic variation in overall creativity scores across the campaigns. The average score for overall creativity was 2.98 (again, on a scale of 1 to 7). The lowest score was 1.0, and the highest 6.2. Only 11 of the 437 campaigns received an overall score above 5 (five of them were cola campaigns). At the other end of the spectrum, 10 campaigns had an overall score below 1.5. The scores mattered a lot, we found. A euro invested in a highly creative ad campaign had, on average, nearly double the sales impact of a euro spent on a noncreative campaign. The impact of creativity was initially relatively small but typically gathered momentum as the campaign rolled out.

We uncovered two interesting insights about how creativity enhances sales numbers.

The dimensions have varying levels of influence on sales. Companies have plenty of room for

A euro invested in a highly creative ad campaign had nearly double the sales impact of a euro spent on a noncreative campaign.



What Creativity Combinations Work Best?

When used in combination, creativity dimensions had widely varying effects. Relative effectiveness here shows the sales uplift a particular pairing enjoyed relative to average effectiveness. Despite the disparities, however, companies in our study used the 10 combinations in roughly equal proportion (shown here as a percentage of total usage), suggesting that many firms are not getting the most out of their advertising investments.

The most-used pairing, **flexibility plus elaboration**, is one of the least effective. The most effective pairing, **originality plus elaboration**, had almost double the impact.

Flexibility
+
Artistic Value

Flexibility
+
Elaboration

Synthesis
+
Artistic Value

Flexibility
+
Synthesis

Synthesis
+
Elaboration

LESS EFFECTIVE

RELATIVE EFFECTIVENESS
-99%
USAGE
8.7%

RELATIVE EFFECTIVENESS
-59%
USAGE
11.6%

RELATIVE EFFECTIVENESS
-29%
USAGE
8.8%

RELATIVE EFFECTIVENESS
-20%
USAGE
9.4%

RELATIVE EFFECTIVENESS
-5%
USAGE
9.7%

improvement in the creativity of ad campaigns. For instance, the types of creativity that agencies currently emphasize are often not the most effective ones at driving sales. In our research, we quantified the impact that each dimension has on sales. Although all of them had a positive impact, elaboration had by far the most powerful one (1.32 when indexed relative to the overall average creativity of 1.0), followed by artistic value (1.19). Trailing behind were originality (1.06) and flexibility (1.03), with synthesis a distant fifth (0.45). Yet the study shows that ad agencies use originality and artistic value more than they use elaboration. Possibly, companies think primarily of originality when trying to be creative.

We also looked at campaigns that scored above the median on at least two dimensions and found that the variation in sales impact among the combinations was even greater than the variation between individual dimensions. Out of 10 possible pairs, we found that the most-used combination—flexibility and elaboration, accounting for nearly 12% of all combinations—is one of the lowest-performing: 0.41 indexed relative to the average of all pairs of 1.0. In sharp contrast, combining elaboration with originality (accounting for nearly 10% of all combos identified) had almost double the average impact on sales (1.96), closely followed by the combination of artistic value and originality (1.89, accounting for almost 11% of all combos).

Interestingly, originality is often part of the most effective combinations, suggesting that this type of creativity plays an important enabling role. In essence, being original is not enough—originality boosts sales only in the presence of additional creative dimensions. Indeed, originality's power to enable may be another reason that so many companies use it in ad campaigns, despite its mediocre individual effectiveness.

Predicting an Ad's Effectiveness

To assess the creativity of your ad campaign, ask consumer respondents to score the ads on each dimension, on a scale of 1 to 7, by considering the questions listed below. (These questions, based on communications researcher Robert Smith's construct for measuring advertising creativity, are meant to be somewhat overlapping.)

Your campaign's overall creativity rating is the average of the scores of each dimension. By comparing the scores of different campaigns, and analyzing the budget and sales effectiveness for each, you can improve your ability to predict the likely effectiveness of your creative ads and make smarter investments.

Originality

- Is the ad "out of the ordinary"?
- Does it depart from stereotypical thinking?
- Is it unique?

COCA COLA
“HAPPINESS FACTORY”



Flexibility

- Does the ad contain ideas that move from one subject to another?
- Does it contain different ideas?
- Does it shift from one idea to another?

JACOBS KRÖNUNG
“TIME FOR CHATTING”



Flexibility is one of the least effective dimensions, whether used alone or in combination.

Although originality has little impact on sales on its own, it appears to play an important enabling role, appearing in three of the four most effective pairings.

Originality + Flexibility

RELATIVE EFFECTIVENESS
-1%
USAGE
9.8%

Originality + Synthesis

RELATIVE EFFECTIVENESS
+1%
USAGE
10.7%

Elaboration + Artistic Value

RELATIVE EFFECTIVENESS
+28%
USAGE
10.5%

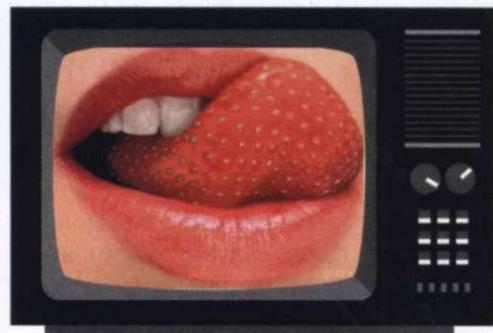
Originality + Artistic Value

RELATIVE EFFECTIVENESS
+89%
USAGE
10.9%

Originality + Elaboration

RELATIVE EFFECTIVENESS
+96%
USAGE
9.9%

MORE EFFECTIVE 



Elaboration

- Does the ad contain numerous details?
- Does it extend basic ideas and make them more intricate?
- Does it contain more details than expected?

**EHRMANN YOGURT
"STRAWBERRY TONGUE"**



Synthesis

- Does the ad connect objects that are usually unrelated?
- Does it contain unusual connections?
- Does it bring unusual items together?

**WRIGLEY'S JUICY FRUIT
SQUISH
"JUICY FRUIT RANCH"**



Artistic Value

- Is the ad visually or verbally distinctive?
- Does it make ideas come to life graphically or verbally?
- Is it artistic in its production?

**DANONE FANTASIA
"FLAVOR TRIP"**

Use of creativity differs by category. Levels of creativity vary significantly across product categories, with the overall scores ranging from 2.62 for shampoo to 3.60 for cola. In categories such as cola and coffee, advertisers and customers tend to favor higher levels of creativity, whereas in categories such as shampoo, body care, and facial care, campaigns focus on showing the actual use of the product, albeit in an idealized environment. One reason could be that it is still important in certain categories to deliver factual proof points of performance features. When products are functional and oriented toward clear consumer goals (cleaning garments with detergents, protecting skin with body lotion), unorthodox approaches are less preferred. In contrast, when products are easily understood, similar, and tied to personal preferences (quenching thirst with a soda, for instance, or enjoying a cup of coffee), an out-of-the-ordinary approach can be more effective in stimulating sales.

We also looked at whether investing in additional creativity pays off and found that it depends entirely on the category. As the exhibit "Is More Creativity Better?" shows, in traditionally low-creativity categories, adding creativity can pay off; according to our study, a one-point increase in creativity scores for shampoo and detergent ad campaigns boosted sales impact by 4%. However, the body lotion and face care categories, which also tend to feature low levels of creativity, were harmed by additional creativity: Sales impact fell by nearly 2%. We see variation across categories with high levels of creativity. Investing in additional creativity has a nearly 8% impact on sales in shavers and coffee but boosts impact by less than 1% for colas and yogurts. So make sure you understand your category's sensitivity to creativity before you commission that high-priced category-redefining campaign.

The conservative approaches adopted in many product categories are leaving money on the table.

Measuring Campaign Effectiveness

Our research has big implications for advertising agencies and the companies that engage them. Advertising professionals can use methods like ours to identify where to direct their creative energies to best effect. Companies can use the models to estimate the financial impact their creative investments will produce.

In many—indeed, most—cases, companies will find that they are underinvesting in creativity. Our research clearly shows that the conservative approaches adopted in many product categories are leaving money on the table. Increased investment will usually pay for itself: More-effective creative ads will allow other parts of the ad budget to be significantly reduced.

For example, suppose a company plans to air two TV campaigns: Campaign A has a creativity index rating of 3, and it has allocated a TV budget of

€500,000 per week. Campaign B has a rating of 3.5, but because it costs more to create the campaign, it plans to spend only €400,000 per week for airtime. (The company establishes creativity ratings by asking consumer panels to evaluate campaign drafts and storyboards along the five dimensions.)

After feeding the scores and budgets into a hierarchical sales response model (for this hypothetical example, we used data from our study), the company estimates that the sales impact for Campaign B will be 1.07% higher in the first week of airing than that of Campaign A. In the subsequent weeks, the gap increases to 1.93% (week 2), 2.63% (week 3), and 3.19% (week 4), thanks to carryover and buildup of consumer knowledge and goodwill. That means that diverting money from the airtime budget to creative will in this case result in a more effective ad. In fact, the model shows that the company could cut airtime spending to €330,000 before the negative impact of reduced airtime outweighed the positive effect of creativity.

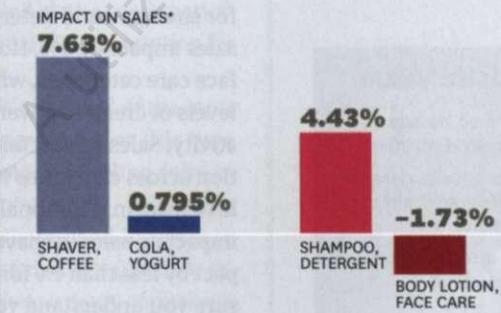
Companies can also use a survey approach to estimate the impact of particular creative choices. Let's say that your product category is coffee, and you have to choose between two creative pitches that both scored 4.0, each with a €400,000 weekly airtime budget. Campaign C emphasizes elaboration and originality, and Campaign D emphasizes artistic value and synthesis. Our findings suggest that Campaign C would be the better bet, since that combination of creativity dimensions produces a positive effect on sales nearly three times as great as that of the combo used in Campaign D.

Is More Creativity Better?

If creative ads can inspire consumers to buy, does amping up the creativity level drive even more purchases? Not necessarily. According to our study of German ads, the relative effectiveness of adding creativity to a campaign can vary significantly.

Categories usually associated with highly creative ads—such as coffee or cola—do not always get a big boost when more creativity is added to campaigns...

...and among **categories associated with low creativity**—such as detergents and body lotions—getting creative is not always a bad idea.



*PERCENTAGE IMPACT ON SALES OF A ONE-POINT INCREASE IN A CAMPAIGN'S CREATIVITY SCORES

CREATIVITY ISN'T easily engineered—and it is still largely measurable only after the fact. What's more, a focus-group assessment of an unaired campaign's creativity levels may well be off the mark. Nonetheless, companies can use a model like ours, coupled with sound baseline data, to better ground the process of creating advertising ideas and assessing their value. And in so doing, they can put to good use quite a bit more than the famous half of their ad budgets. ♦