

Brand Building in Imbalance

A report on Swedish managers' perceptions of marketing that builds strong brands and profitable growth

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NoA Consulting helps many of Scandinavia's largest companies drive growth across our three areas of expertise: profitable positioning, optimised pricing and business innovation.

We are management consultants based in Stockholm, Oslo and Copenhagen. Jointly with our sister companies in the North Alliance (NoA), we have 800 co-workers in the Nordic countries and Poland. In Sweden, NoA Consulting used to be known as Evidence Strategy.

Our clients include SAS, MAX, Arla, Scandic, Zettle and many other companies in both B2C and B2B.

The Association of Swedish Advertisers, an independent interest organisation, has existed since 1924. We work for sound, responsible and sustainable marketing and for all advertisers to get the best possible impact from their investments. We are also the only interest group that is exclusive to advertisers.

We are needed — now more than ever. Digitalisation has given our profession infinite opportunities, but also changed it, radically and fundamentally. The impact of investments in marketing is progressively decreasing, while confidence in advertising is steadily declining. Our key task is therefore to improve the quality of marketing and give marketers scope for creating, measuring and reporting effectiveness in an increasingly complex reality. In close cooperation with our global organisation World Federation of Advertisers (WFA), we are therefore running several important industry initiatives with the goal of reversing the trend.

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1.

Background and study method

Purpose and background

There is every reason for management to care about brands. Intangible assets are becoming ever more important, and now account for 90% of the market value of the companies on the S&P 500 list.¹ According to recent calculations by Lloyd's and KPMG, the brand is the most valuable intangible asset of all.²

The research is clear. Strong brands drive long-term profitable growth. They make it easier to sell products and services, charge higher prices and succeed with product launches. They boost sales revenues and make them more sustainable over time. Companies with strong brands also becomes more attractive to talented employees and investors, as well as partners.

The research also shows clearly that building a brand requires substantial investments in market communication, in a healthy balance between short-term and long-term investments.

Today, unfortunately, patience seems to be running out. The general trend is for companies to reduce brand-building communication in favour of short-term measures. This has made communication less effective,³ and advertising fatigue among consumers today is great.⁴

With this study, we at NoA Consulting and Association of Swedish Advertisers are seeking to understand how Swedish business leaders perceive brand building. The purpose is to learn more about how the long-term brand perspective can be given greater scope and thus strengthen the competitiveness of Swedish companies. As inspiration, we have used both academic research and foreign industry reports.⁵

The survey is based on interviews with business leaders from 259 Swedish companies. More details about the study may be found on the next page.

¹Ocean Tomo (2020). *Intangible Asset Market Value Study*. ²Lloyd's & KPMG (2020). *Protecting intangible assets: Preparing for a new reality*. ³IPA Eff Works (2018). *Effectiveness in Context — a Manual for Brand-Building*.

⁴Association of Swedish Advertisers & Novus (2020). *The Public on Advertising*. ⁵The Board-Brand Rift — How business leaders have stopped building brands (2019), IPA/*Financial Times*.





Study method



Selection and data collection

259 online survey interviews conducted in the spring of 2021

- The respondents were mainly recruited from the **Dagens Industri (DI) panel**.
- The criteria for selection from the panels were:
 - ✓ people working at or for a company with **more than 50 employees**
 - ✓ and whose job title indicates that they have a **managerial position** or are on the **board** or in the **management team**.



Sample groups in the report

- **'All business leaders'** consists of the whole sample, that is, **all 259 respondents** who meet the criteria of the study (see left).
- **'Top management'** consists of the 49 respondents who are **owners and/or investors, board members** or the CEO, or belong to the company's **management team** — in a company with a turnover exceeding **SEK 100 million** (excluding those who have managerial titles but do not meet the above requirements).

To identify success factors, a comparison analysis was carried out as follows.

259

companies represented in the study in total

Success was estimated through questions about how every company has **performed relative to its competitors over the past three years**. The following parameters were taken into account:

- Sales growth
- Profitability
- Market share
- Customer loyalty
- Brand strength

The scale used for the above is 1–7, where 1 is 'much worse' and 7 is 'much better'. All questions are aggregated into an average index, and the responses are then divided into two equal groups — above and below the median of the index.

Low-performing companies

These performed relatively worse on sales growth, profitability, market share, customer loyalty and brand strength.

High-performing companies

These performed relatively better on sales growth, profitability, market share, customer loyalty and brand strength.

Key question: How do these companies differ?



2.

Five key insights and five calls to Swedish corporate managements



Five key insights from the study

- 1. Swedish companies see the commercial value of a strong brand.** Eight out of ten managements perceive the connection between a strong brand and business performance (such as its profitability and growth). A strong brand is also considered important for attracting and retaining employees.
- 2. Fewer companies translate this positive view into action, but those who do are more successful.** The success factor is a matter of seeing the importance of long-term investments in brand-building marketing, having a brand strategy that makes a difference and reporting brand key performance indicators (KPIs) at board level.
- 3. Successful companies are led by boards that see the value of a healthy balance between short-term and long-term marketing goals.** They understand that goals are required both to sell more today and to sell more tomorrow by strengthening the brand. However, four out of ten boards do not seem to think this way and, according to the managers themselves, it is short-term pressure from owners that prevents a healthy balance.
- 4. Many business leaders show a lack of knowledge of how communication works, but nonetheless get involved in the details.** Contrary to research findings, many business leaders believe, for example, that rational advertising works best, that mass communication is no longer effective and that growth is achieved by focusing on existing customers. Moreover, they either underestimate or overestimate which communication channels work best, and this appears to lead to less effective investments. Five out of ten managements still want to get involved in details of the company's communication.
- 5. High-performing companies value creative communication more highly — but five out of ten managements do not see the value of creative communication.**

Five calls to Swedish corporate managements

- 1. Learn from high-performing companies: 'walk the talk' and take branding from thought to action.** Swedish corporate managements understand the importance of a strong brand, but not all act accordingly. Monitor brand KPIs at management level and make the brand a decision criterion in investments and budget processes.
- 2. Ensure a balance between the short and the long term in budgeting, setting targets and evaluating your marketing.** For every company interested in results beyond the next quarterly report, it pays to have a healthy balance between selling today and selling tomorrow by investing in the brand. Both are needed for long-term and profitable growth.
- 3. Do not get fixated on loyalty.** Greater customer loyalty alone cannot secure future growth, however seductive that idea may sound. Growth is more often derived from gaining *more* customers over time. There, a strong brand and wide-ranging communication are crucial.
- 4. Listen to facts — not myths — in choosing communication channels.** The empirical research is clear: broad 'mass communication' remains key for achieving brand growth. This applies in the 2020s as in the past, as independent studies confirm over and over again. Advertising on television, in print and outdoors remains powerful — while word-of-mouth, social-media and keyword advertising do not go far.
- 5. Leave the content of the communication to the experts.** Set clear goals and demand careful follow-up. If time permits, keep up to date with what research says — such as that emotional and creative advertising is far better for business than using rational arguments. However, go no further: do not micromanage the content of communication.

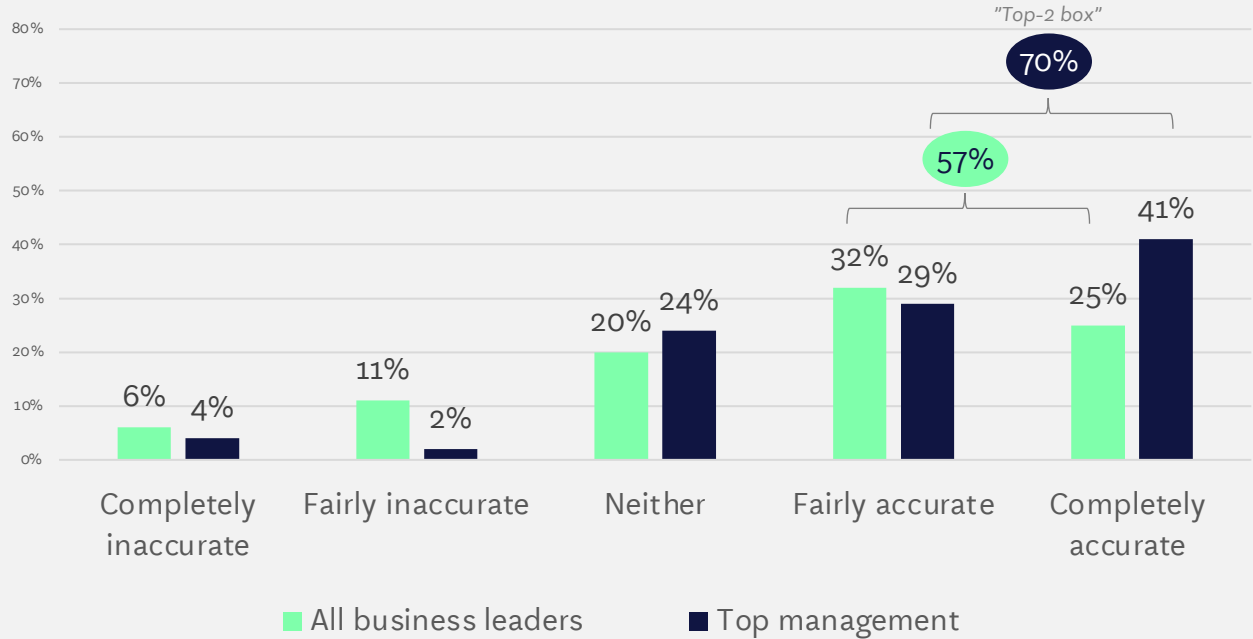


3.

Results: Perceptions of brand building

Regular brand discussions in Swedish companies

Statement:
In our organisation, we regularly talk about 'brand', 'brand building', 'brand capital', 'strong brand' or 'brand value'



The share who responded 'Don't know' is not reported in the chart.

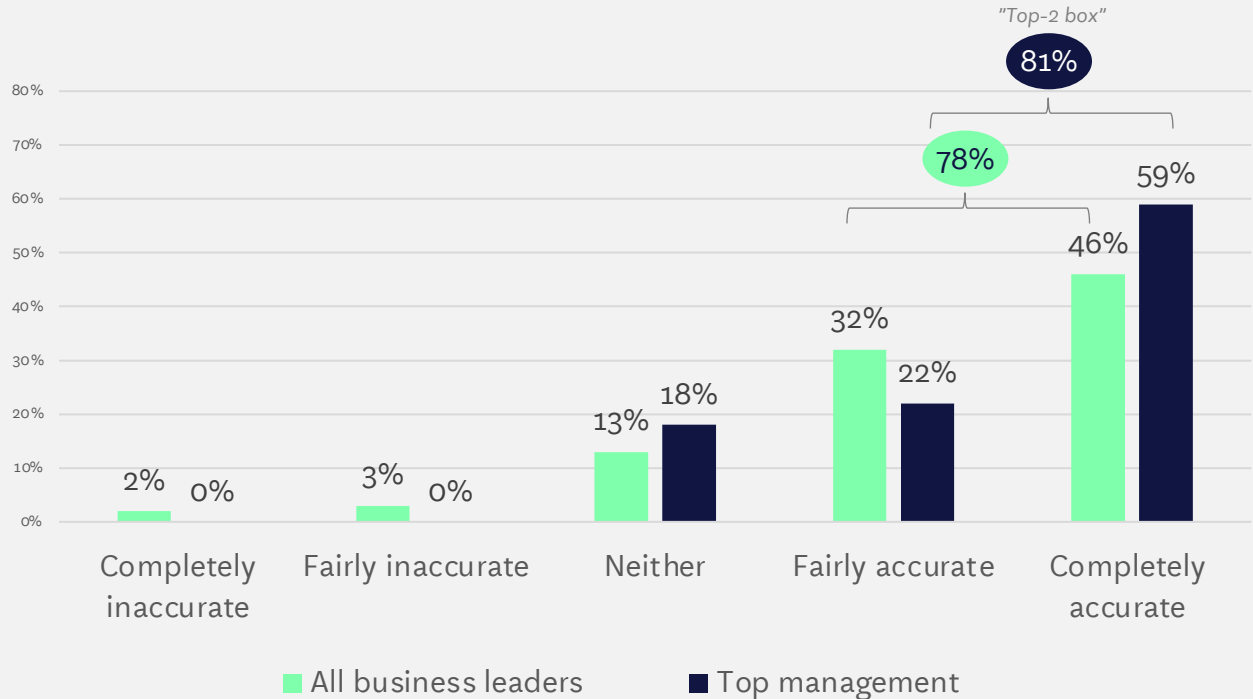
How much do Swedish companies talk about the concept of 'brand'? The question is interesting because, after all, there are many competing topics to discuss (sustainability, digitalisation, customer focus, growth and more).

The results show that branding is definitely a topic of discussion. In a clear majority of companies, leaders talk regularly about various aspects of brands.

The share who agree is slightly higher among those in top management (7 out of 10 agree partly or entirely) than in the broader group of all business leaders (where 57% agree).

Most managements see the business benefits of a strong brand

Statement:
Our management believes that a strong brand is something that contributes positively to a company's bottom line.



The share who responded 'Don't know' is not reported in the chart.

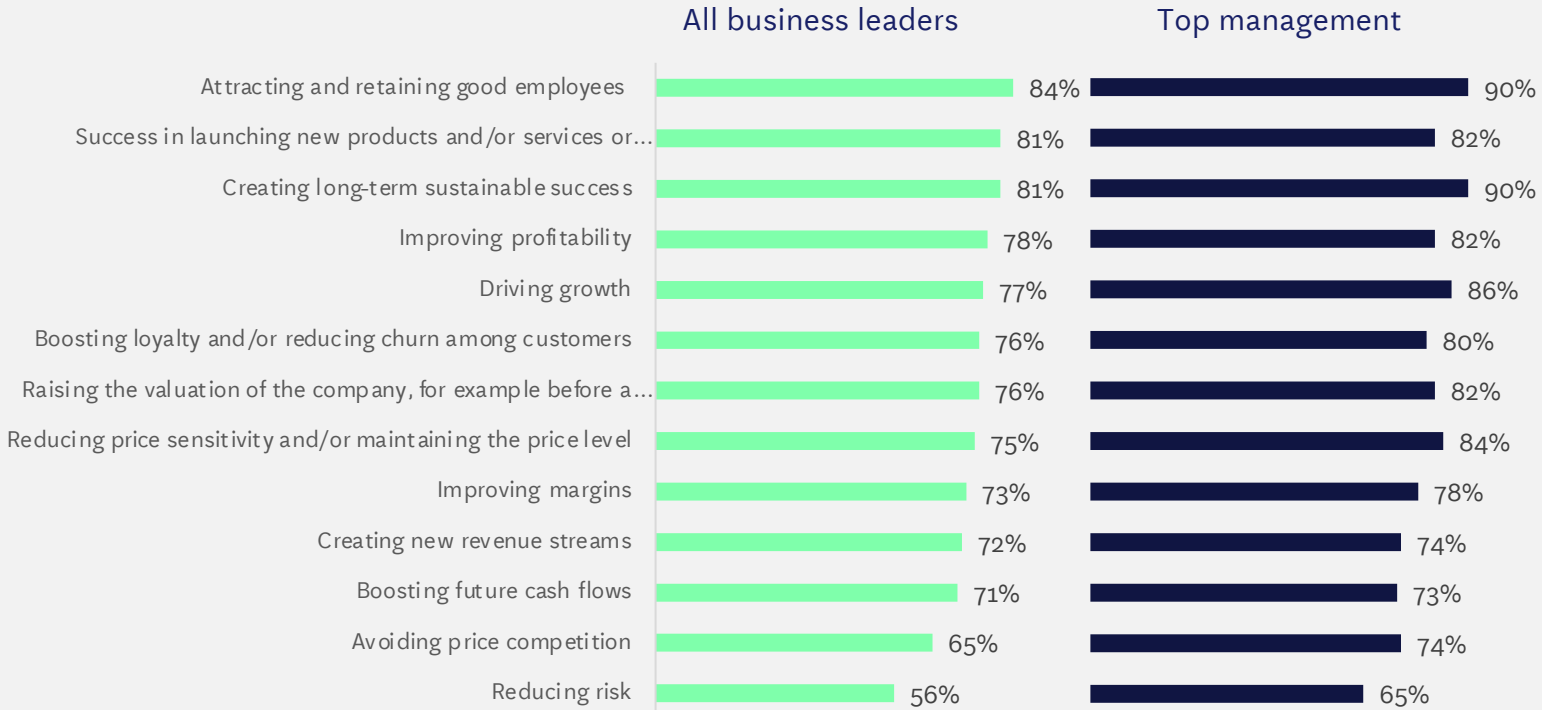
In the previous illustration, we saw that there are regular discussions about branding in Swedish companies. An interesting follow-up question is whether brands are seen as commercially valuable in management eyes, since it is at this level that branding should be supported if it is to be successful.

Here, the results show that Swedish managements broadly agree that a strong brand 'contributes positively to a company's bottom line'. Eight out of ten agree with the statement — in both groups.

The great majority of managements thus appear to see a strong brand as benefiting business, at least at a general theoretical level.

Strong brand considered to drive business performance in many ways

Question:
In general, how important do you think a strong brand is for achieving the following?
 Shares agreeing partly or entirely (4 or 5 on a scale of 1–5)



What business advantages of strong brands do Swedish corporate managements see? The answer is that they see many different advantages.

Topping the list to the left, we find financial parameters such as profitability and growth, but the brand is also considered important for successful launches and to attract and retain co-workers. This mixture of 'hard' and 'soft' advantages of a strong brand is entirely in line with what research has shown.

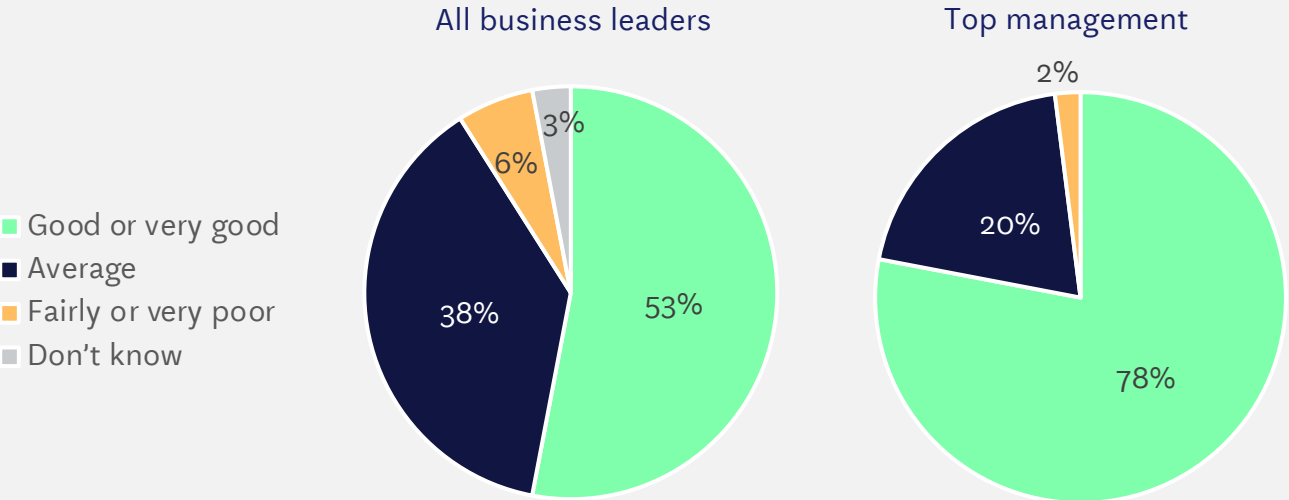
The long-term perspective seems important, given that 8 out of 10 and 9 out of 10 of the two respondent groups respectively believe that a strong brand is important for generating 'long-term sustainable success'.

Somewhat surprisingly, the figures for the importance of price and margin-related advantages (reducing price sensitivity, improving margins and avoiding price competition) are lower. Empirically as well as theoretically, the ability to justify a premium price is one of the most profitable advantages of having a strong brand. This is because a higher price level boosts revenue without necessarily raising costs.

Most business leaders — especially top management and, above all, CEOs — claim good knowledge of brand building

Question:

How would you describe your own knowledge and understanding of how strong brands are built and kept strong over time?



Shares claiming **very good** knowledge per job title (>10% shown):

CEO or equivalent	27%
Owner or investor	19%
Head of Finance	16%
Head of Business Development/Strategy	12%

Here, our aim is to understand how Swedish business leaders perceive their own knowledge— and understanding — of how strong brands are built and kept strong over time.

It is a great advantage if there is basic knowledge and a consensus on the brand issue throughout the management. This is, in particular, because successful brand building requires resource priorities and efforts that permeate the whole organisation.

The results show that most business leaders claim to have good or very good knowledge and understanding: just over half (53%) of all business leaders and 8 out of 10 (78%) of top managers.

Looking at respondents stating that they have 'very good' knowledge and understanding, it is clear that CEOs have the greatest self-confidence (27%), followed by owners and/or investors (19%).

Brand-savvy managers see more business advantages of strong brands

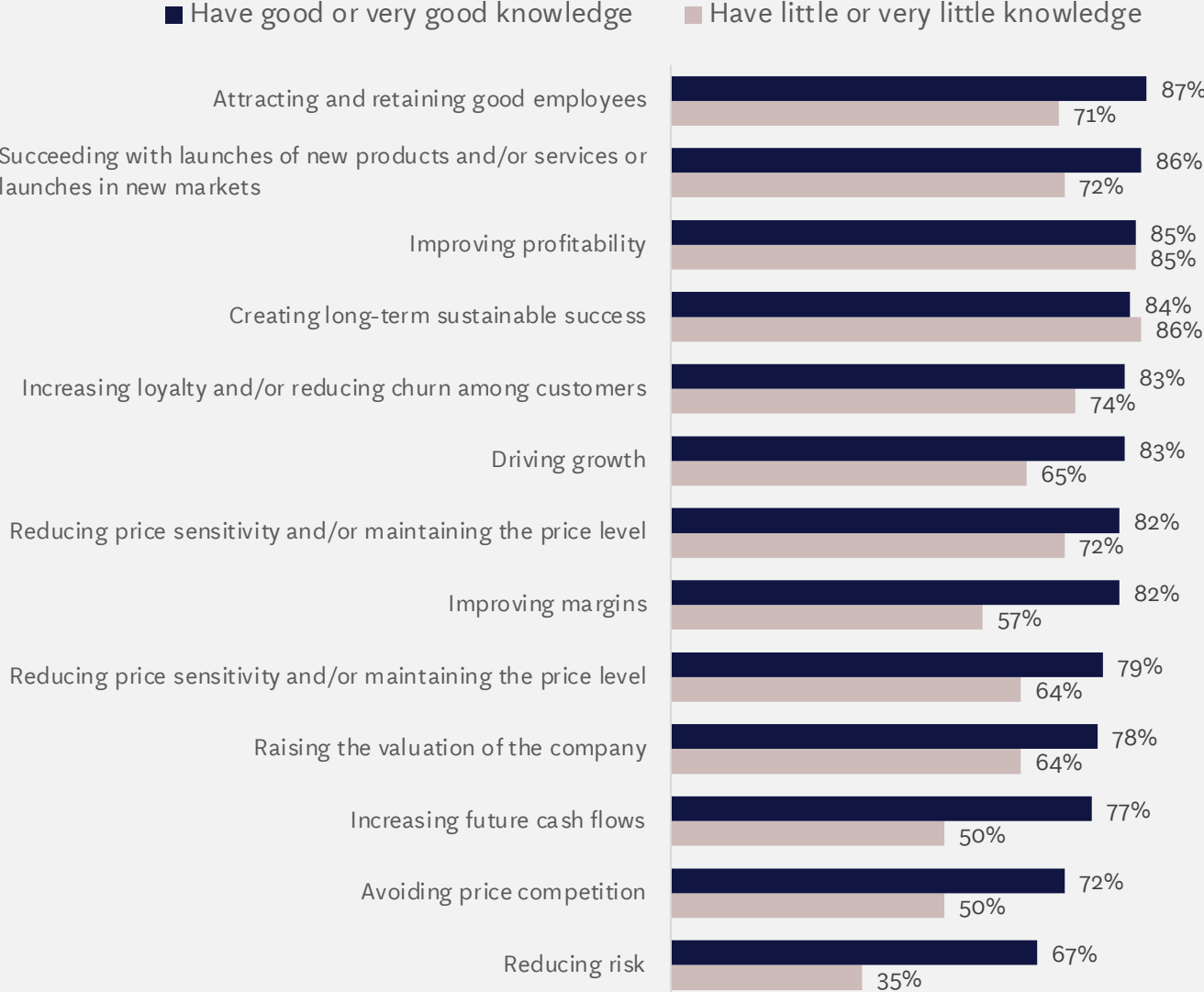
Earlier, we asked the business leaders how they assess their own knowledge and understanding of how strong brands are built and kept strong over time. Here, our aim is to understand whether greater knowledge is associated with a more positive picture of how brands can drive business performance.

The results show that this is the case. Business leaders who regard themselves as relatively knowledgeable see more business advantages from a strong brand. It is reasonable to assume that greater knowledge results in brand building being valued more highly. Simultaneously, of course, it those who see more advantages may also acquire more knowledge.

The biggest differences are in terms of growth, margins, cash flow, price competition and reduced risk. Here, significantly more of the most knowledgeable leaders see the brand as important.

Question:
In general, how important do you think a strong brand is for achieving the following?
 Shares agreeing partly or entirely (4 or 5 on a scale of 1–5)

Comparison based on self-rated knowledge and understanding of how strong brands are built and kept strong over time



High-performing companies are more brand-oriented

Since we know that brands can have great business value, our aim here is to examine whether there is any connection between prioritisation of brand development and higher performance (in terms of sales growth, profitability, market share, customer loyalty and brand strength), as previous studies of Swedish companies have shown.⁶

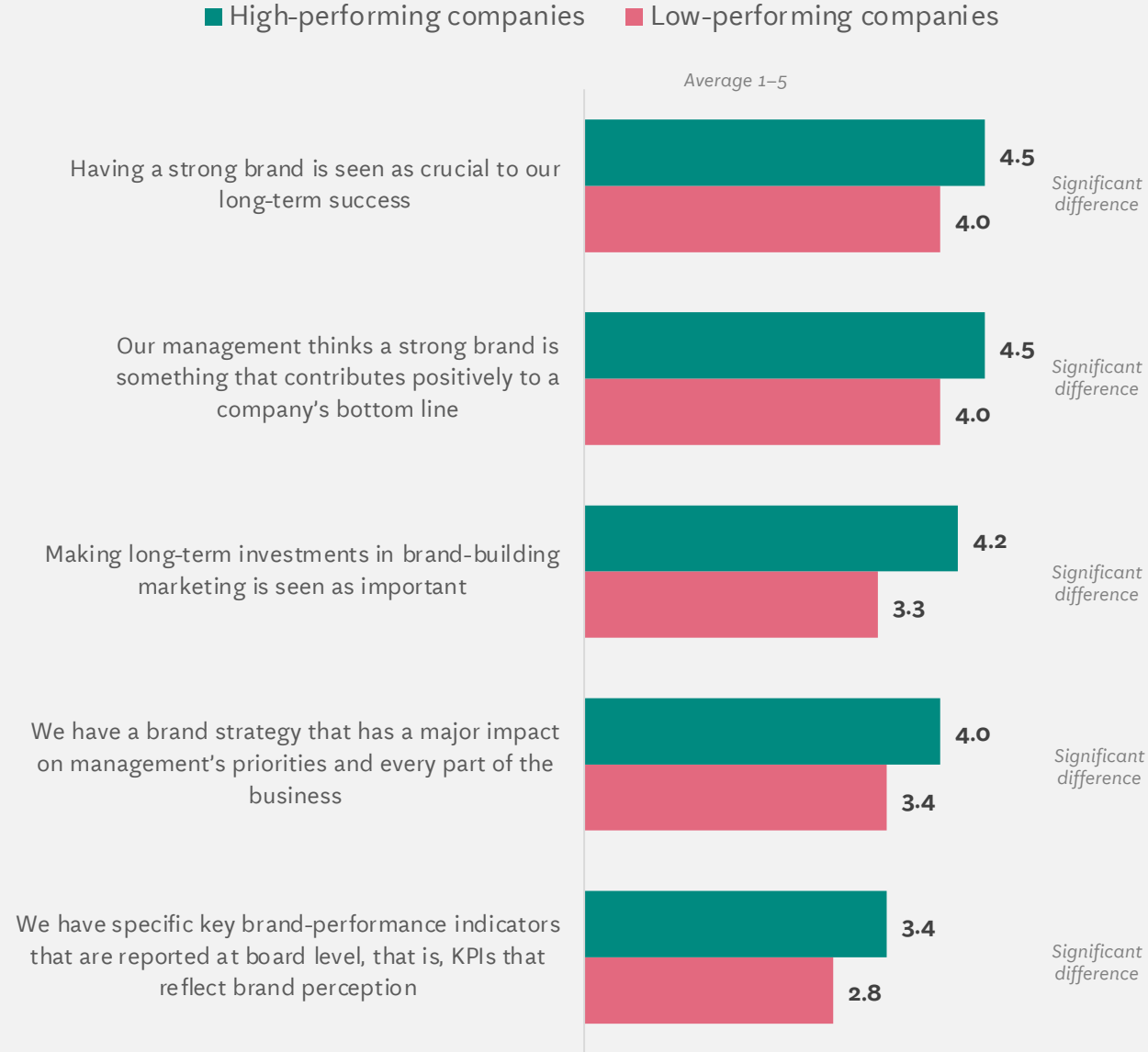
To investigate this, we asked questions about various aspects of what is commonly termed 'brand orientation'. Jointly, these reflect the crucial importance of central branding in a company. Here we compare the degree of brand orientation among high-performing and low-performing companies.

The results are clear. According to the business leaders who responded for their companies, the high-performing ones are significantly more brand-oriented. This difference is statistically significant in all aspects.

Note that the high-performing companies not only regard brands as more important in general (for example, the management considers them important). They have also, to a greater extent, translated this view into concrete action — in the form of long-term investments, strategies that affect management priorities and key financial figures that are reported to the board.

⁶Gromark, J., & Melin, F. (2011) The underlying dimensions of brand orientation and its impact on financial performance. *Journal of Brand Management*.

Question: **How far do you agree with the following statements about your organisation?**
 Mean score of agreement (scale of 1–5 where 5 is "fully agree")



Success factors are about turning positive brand perception into concrete action: investments, priorities and KPI's

Here, we take a closer look at some of the brand-orientation results on the previous page but analyse the responses differently. The results show the share of business leaders among the high-performing and low-performing companies who agree with various statements.

The conclusion from the last image is even clearer here. The main difference is not a matter of management generally thinking 'a strong brand is something that contributes positively to a company's bottom line'. Although the share is higher among high-performing companies (90%), most managements in low-performing companies also agree (76%) with this statement.

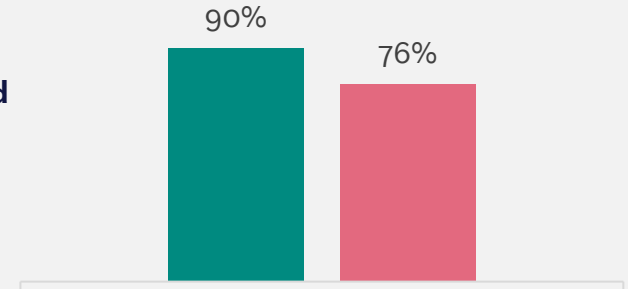
The more distinctive success factors, as we also saw in the previous image, are about seeing the importance of investments in brand-building marketing, having a brand strategy that makes a difference and reporting brand KPIs at board level.

■ High-performing companies
■ Low-performing companies

Statement:

Our management believes that a strong brand is something that contributes positively to a company's bottom line

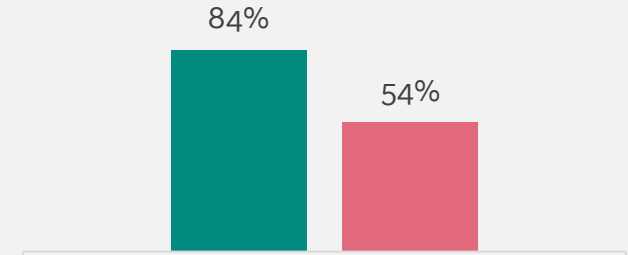
Shares agreeing partly or entirely
(4 or 5 on a scale of 1–5)



Statement:

Making long-term investments in brand-building marketing is seen as important

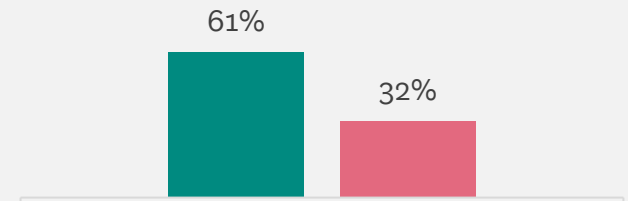
Shares agreeing partly or entirely
(4 or 5 on a scale of 1–5)



Statement:

We have a brand strategy that has a major impact on management's priorities and every part of the business

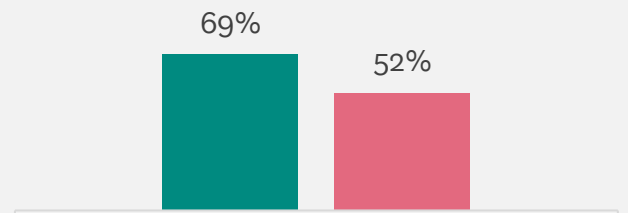
Shares agreeing partly or entirely
(4 or 5 on a scale of 1–5)



Statement:

We have specific brand key figures that are reported at board level, i.e. KPIs that reflect how the brand is perceived

Shares agreeing partly or entirely
(4 or 5 on a scale of 1–5)



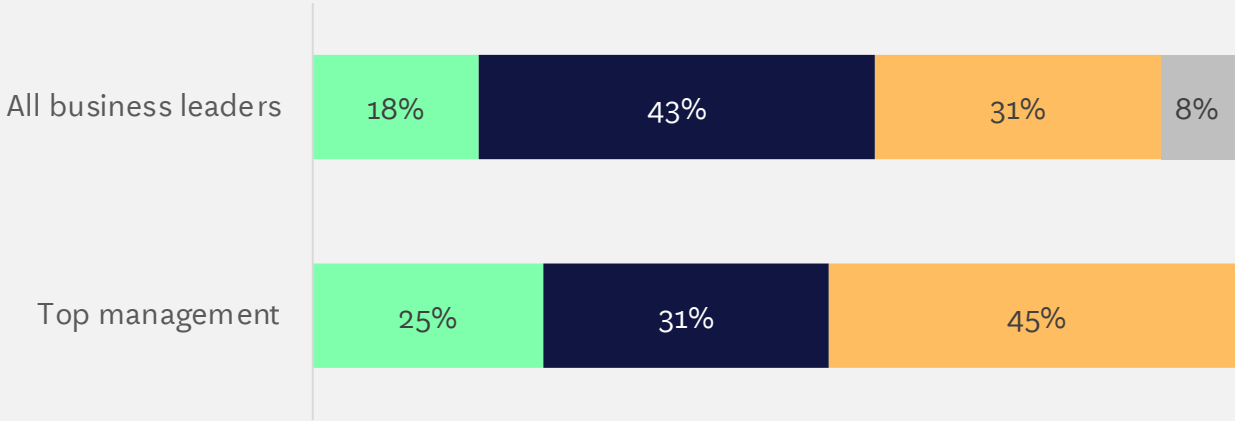
4.

Results: Objectives and follow-up

Few feel they have become more short-termist in their evaluation of marketing

Question:
Regarding how you as an organisation evaluate your marketing, would you say that your time perspective has become shorter or longer?

- Shorter — we are increasingly looking at rapid, immediate effects
- Unchanged
- Longer — we are increasingly looking at long-term effects (beyond 6 months or further ahead)
- Don't know



As mentioned at the outset, there are many indications that companies have become more short-termist in their marketing, at least if one looks at how they invest in their marketing communication. The share of short-term measures is growing, while the share of long-term brand-building investments is shrinking.

It is therefore interesting to understand how the business leaders themselves perceive the issue, here with respect to how the time perspective for evaluating the company's marketing has changed.

The results give a mixed picture. Increased short-termism is perceived by 18% and 25% respectively. At the same time, even more people think that the company has begun longer-term evaluation in this respect. A large share see no difference at all.

Overall, we see no clear tendency towards a general increase in short-termism — at least, not one that is discernible in the respondents' answers.

The COVID-19 pandemic may possibly play a role here. Initially, it forced many companies to make rapid, short-term decisions, but eventually it also led to longer-term considerations. One example is the question of how companies should respond to changed buying and consumer behaviours after the pandemic.

One clear success factor is if the board values a healthy balance between short and long term — but 4 out of 10 of boards do not

To achieve the greatest commercial impact over time, a healthy balance is needed between efforts that boost sales today and measures that generate sales tomorrow by strengthening the brand. This balance should be reflected in the company's brand objectives. The largest commercial effects of a strengthened brand accumulate relatively slowly over time and tend to peak within a few months and in many cases after one to two years.⁷

The board's view is crucial, since it often sets the requirements for when the company's management will deliver commercially. In many cases, the board also has views on how much or little money should be spent on long-term brand investments, against achieving rapid results.

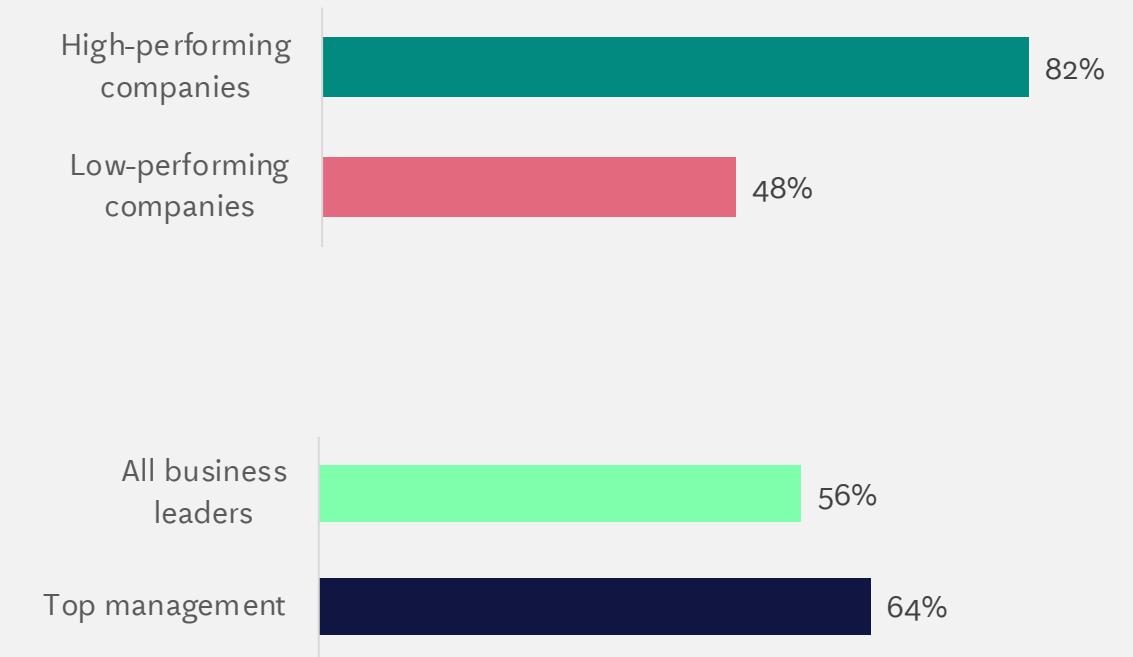
The upper bar chart confirms that the board's notion of a healthy balance is a success factor. In the high-performing companies, 82% of the leaders think their board 'believes that the greatest commercial impact is achieved by striking a healthy balance between short-term and long-term brand-building goals for our marketing'. The comparable share in the low-performing companies is 48%.

Unfortunately, we see in the lower chart that only about 6 out of 10- business leaders (56% and 64% respectively) think their board grasps the importance of this balance. Thus, 4 out of 10 of boards seem to lack this key insight.

Statement:

Our board believes that the greatest commercial impact is achieved by striking a healthy balance between short-term and long-term brand-building goals for our marketing

Shares agreeing partly or entirely (4 or 5 on a scale of 1–5)

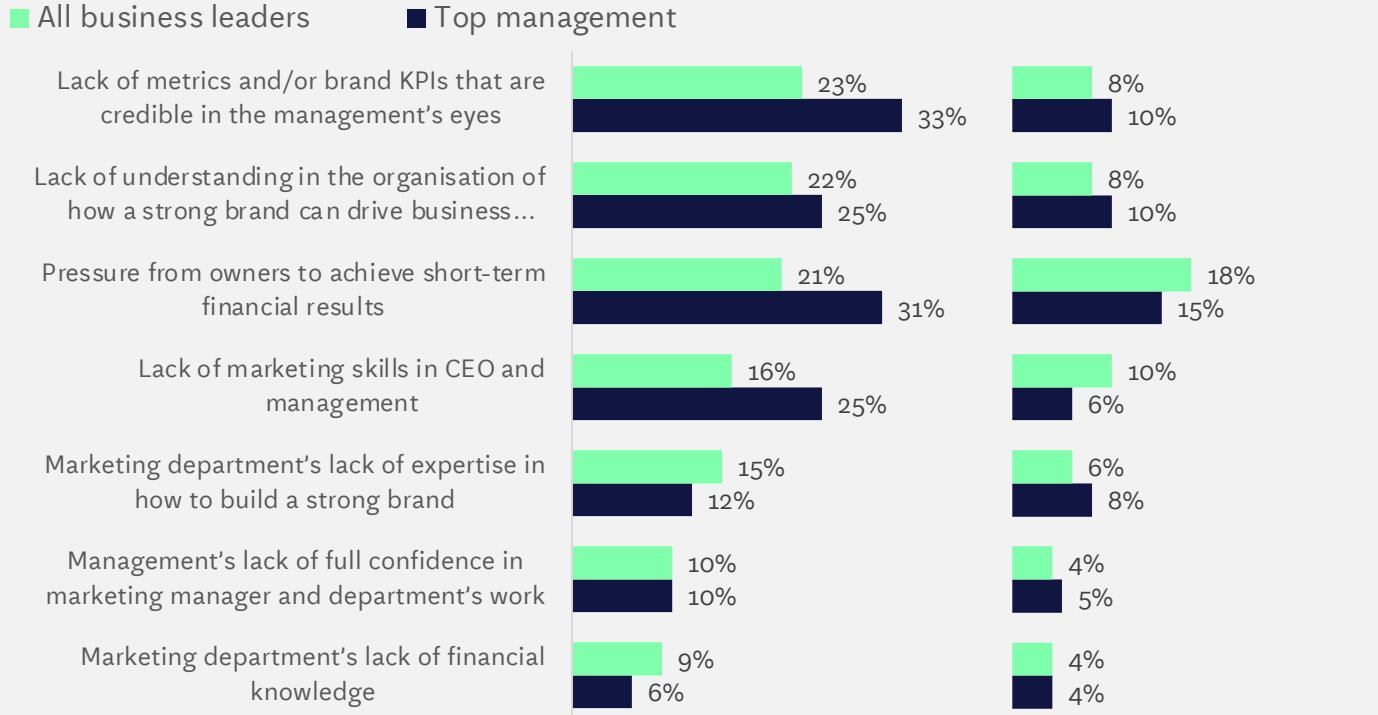


⁷See, for example, Mizik, N. (2014). Assessing the Total Financial Performance Impact of Brand Equity with Limited Time-Series Data, *Journal of Marketing Research*; Ataman, M. et al. (2010). The Long-Term Effect of Marketing Strategy on Brand Sales. *Journal of Marketing Research*; Binet, L. & Field, P. (2013). *The Long and the Short of it – Balancing Short and Long-Term Marketing Strategies*, Institute of Practitioners in Advertising (IPA) Report; and Ebiquity and Gain Theory (2018). *Profit Ability: The Business Case for Advertising*

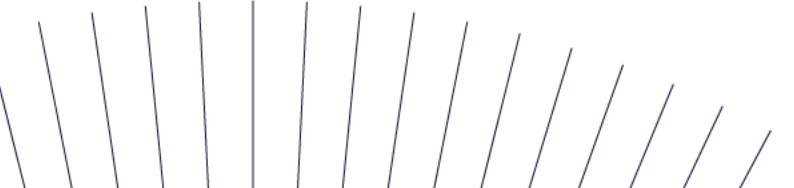
Short-term owner pressure seen as main obstacle to healthy balance

Question:
Which of the following do you think prevents, or impedes the scope for, a healthy balance between short-term and long-term brand-building marketing?

Shares agreeing partly or entirely (4 or 5 on a scale of 1–5)



Follow-up question:
Of the obstacles you just mentioned, which do you see as the main one?



Since there are strong indications that far from all companies have a healthy balance between the short and the long term in brand building, it is relevant to investigate whether business leaders feel that obstacles exist, and if so, what they are.

On the left, we see that the obstacle perceived most is a lack of credible measuring points in the eyes of the management. This difficulty in showing a brand's value numerically is recognisable from several other studies.

A lack of understanding in the organisation and pressure from owners are also mentioned. Among leaders in top management, we see greater frustration about inadequate knowledge in the CEO and among the other top managers.

However, not all obstacles are considered equally large. Most people think pressure from owners to achieve good financial results in the short term is the biggest obstacle to achieving a healthy balance.

Few companies report key brand-performance indicators at board level

Statement:

We have specific key brand-performance indicators that are reported at board level – KPIs that reflect how the brand is perceived

Shares agreeing partly or entirely (4 or 5 on a scale of 1–5)

All business leaders



Top management



As mentioned above, corporate leaders see many business advantages from a strong brand. At the same time, the lack of good measuring points, and of brand KPIs that are credible in the eyes of management, is perceived as a problem.

Here, we view the same problem from a different angle when we ask whether the company reports specific key brand-performance indicators at board level. As the results show, few of the companies do.

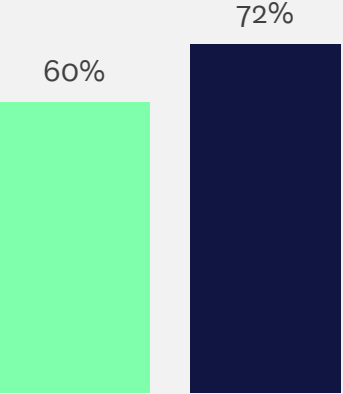
The results cannot be judged as anything other than problematic. Seven out of 10 company boards do not monitor how the brand is developing, although it is a valuable intangible asset.

Brand-building marketing 'important', but few give it a separate budget

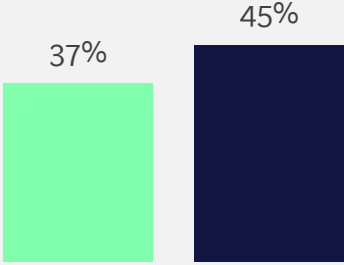
Statement:
Making long-term investments in brand-building marketing is considered important in our organisation

Shares agreeing partly or entirely (4 or 5 on a scale of 1-5)

■ All business leaders ■ Top management



Statement:
We have a separate budget for marketing that should build our brand in the long term (6+ months)



In most companies, it is considered important to make long-term brand-building investments. Six out of ten among all business leaders feel that this is deemed important in their organisation, while seven out of ten in top management agree.

That so many people agree is of course positive. Nevertheless, it is problematic that in three or four companies out of ten it is not seen as important.

Even more problematic is that the share of companies having a separate budget for long-term brand building is even lower. Only 37% and 45% respectively state that this exists.

Is it really important for long-term efforts to be budgeted for separately? Yes, because when long-term investments are clearly 'earmarked', it often becomes much easier to maintain a healthy balance over time.

5.

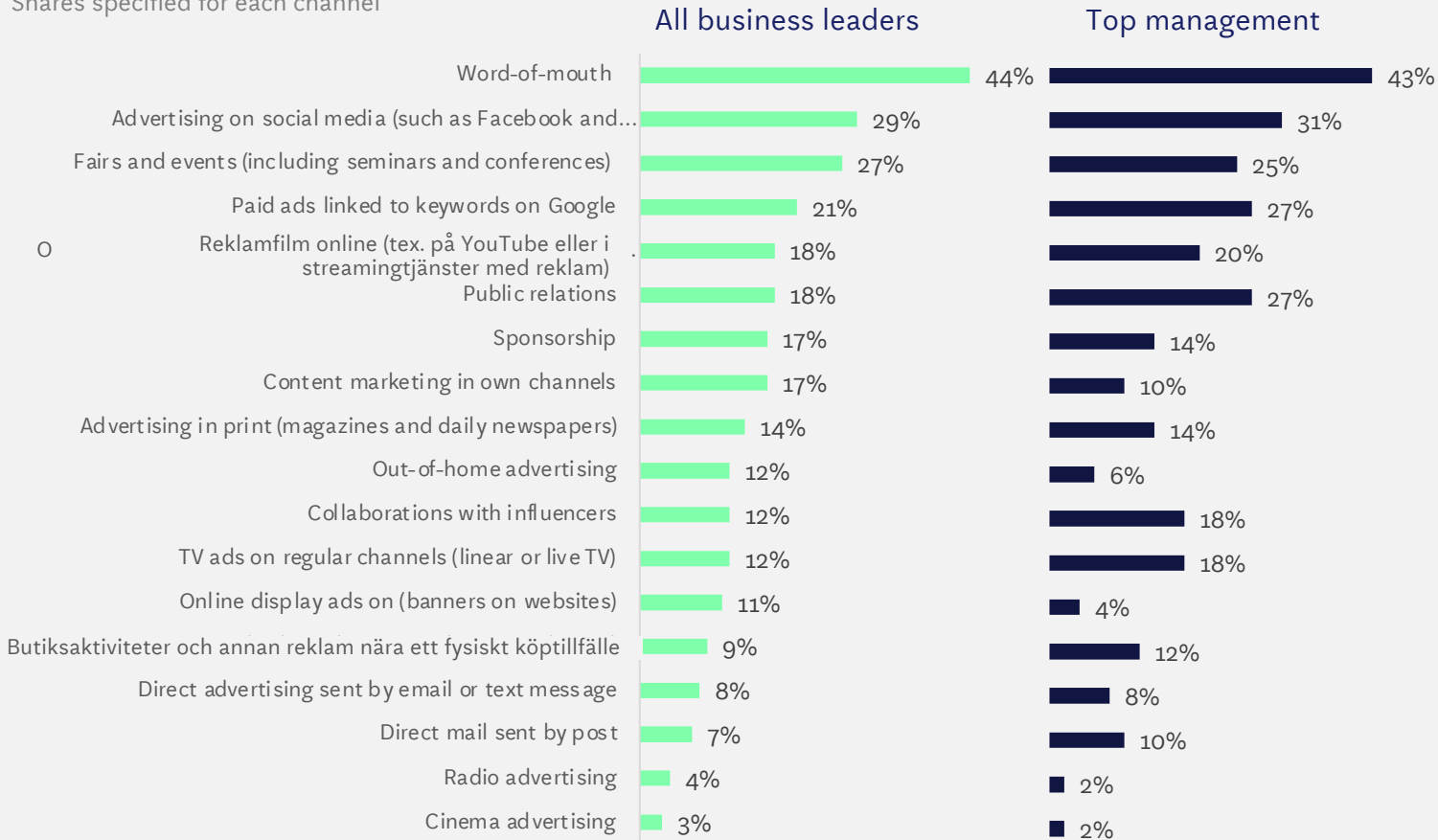
Results: Perceptions of marketing channels and creative communication

Several 'traditional' marketing channels underestimated

Question:

Which of the following types of marketing channel do you think are generally most effective at building strong brands?

Shares specified for each channel



To get the maximum effect from investments made in brand-building marketing, it is important to invest in the right channels.

Word-of-mouth marketing is clearly the channel that business leaders believe builds the brand most effectively. Other channels topping the list are digital, such as social media and Google advertising, and also 'analogue' channels like trade fairs and events. Respondents in top management stand out with their stronger belief in public relations.

A comparison of results with what recent comprehensive studies of real-brand effects have shown⁸ reveals several clear deviations. Business leaders seem to overestimate or underestimate the brand-building capabilities of certain channels as below.

Overestimated channels:

- Social media
- Paid ads linked to keywords on Google

Underestimated channels

- Out-of-home advertising
- TV ads on regular channels (linear or live TV)
- Radio advertising
- Print advertising
- Cinema advertising

Channels used most: word-of-mouth and social-media advertising, trade fairs and other events, and content marketing in companies' own channels



Here we look at which channels companies are actually using. Unsurprisingly, they are broadly the same as the channels believed to be effective, as shown in the previous image. Advertising in social media and at trade fairs and other events is widely used, while 'traditional' channels are relatively little used (here, of course, costs can come into play).

Overall (among all business leaders), word-of-mouth marketing is the channel used most to build a strong brand. The study does not reveal how this channel is used. Research has shown that word-of-mouth is largely driven by advertising in purchased channels (such as online, TV, radio and print).⁹

Moreover, it has been shown that much of the talk is about 'traditional' purchased advertising that people have seen or heard. Emotionally charged advertising, in particular, seems to generate word-of-mouth publicity that drive sales in both the short and the long term.¹⁰ However, this is not how the companies in this study seem to operate: very few say they use these 'traditional' advertising channels.

9) Pauwels, K., et al. (2016). Like the ad or the brand? Marketing stimulates different electronic word-of-mouth content to drive online and offline performance, International Journal of Research in Marketing.
 10) Gopinath, S., et al. (2014). Investigating the relationship between the content of online word-of-mouth, advertising, and brand performance, Marketing Science.

Widespread misconceptions about how marketing and communication work

Here, our aim is to understand how far the business leaders' perceptions of marketing and communication are consistent with current research by asking them to decide on a number of 'true' and 'false' statements.

- In line with research,¹¹ 8 out of 10 believe it is important **that recipients like the communication** for it to have maximum effectiveness.
- Only 4 out of 10 believe that **increased advertising investments** in relation to competitors leads to greater market shares. Here, although studies have shown clear correlations in general,¹² the respondents' scepticism may be justified by the fact that this does not, of course, apply to every company.

Otherwise, the answers are disappointing and show that several misconceptions are widespread:

- Seven out of 10 believe that **rational advertising** works best, whereas in fact emotional advertising has proved at least equally (and often more) effective according to several studies, especially over time.^{12,13}
- Six out of 10 believe that **'mass communication'** no longer works, which is contrary to a host of recent studies.^{12,14,15}
- Six out of 10 believe that profitable growth is best achieved through a targeted focus on existing customers, which is completely at odds with extensive empirical research from Byron Sharp,¹⁵ for example, which has proved the fundamentally obvious fact that growth is achieved primarily by **attracting new customers**.
- Four out of 10 think using **digital channels** to build brands is enough, and this is not supported in research either.^{12,16}

⁹Pauwels, K., et al. (2016). Like the ad or the brand? Marketing stimulates different electronic word-of-mouth content to drive online and offline performance, *International Journal of Research in Marketing*

¹⁰Gopinath, S., et al. (2014). Investigating the Relationship Between the Content of Online Word of Mouth, Advertising, and Brand Performance, *Marketing Science*. ¹¹Smit, E. G. et al. (2006). Effects of advertising likeability: A 10-year perspective, *Journal of Advertising Research*.

¹²Binet, L. & Field, P. (2013) The Long and the Short of it – Balancing Short and Long-Term Marketing Strategies, IPA report.

¹³Eisend, M., & Tarrahi, F. (2016). The effectiveness of advertising: A meta-meta-analysis of advertising inputs and outcomes, *Journal of Advertising*

¹⁴De Vries, L., et al. (2017). Effects of traditional advertising and social messages on brand-building metrics and customer acquisition, *Journal of Marketing*.

¹⁵Sharp, B. (2016). *How brands grow*, Oxford University Press.

¹⁶Ebiquity (2018) Re-evaluating media – what the evidence reveals about the true worth of media for brand advertisers.

Question:

How far do you personally agree with the following statements about your personal views on marketing and communication?

Shares agreeing partly or entirely

True' statements with strong evidence according to research:	All business leaders	Top management
It is important for recipients to like the communication for it to have the maximum effect	8 out of 10	7 out of 10
Investing more in paid advertising/communication than your competitors leads to an increase in your market share over time	4 out of 10	3 out of 10
'False' statements with weak evidence according to research:		
Communication works best when it refers to persuasive benefits, facts or arguments	7 out of 10	7 out of 10
Mass communication', with the same message aimed at all buyers in the market, is no longer as effective	6 out of 10	7 out of 10
The best way to achieve profitable growth is usually by aiming marketing at existing customers to enhance their loyalty (instead of trying to attract competitors' customers)	6 out of 10	6 out of 10
To build a brand nowadays, marketing in digital channels is enough	4 out of 10	3 out of 10

Despite widespread misconceptions, many managements still want to get involved in the details of communication

Statement:

The management often has opinions about the detailed content of our communication

Shares agreeing partly or entirely (4 or 5 on a scale of 1–5)

All business leaders

Top management

42%

51%

On the previous page, we saw that knowledge among business leaders about how communication works is patchy.

Here we see that many corporate managements still want to get involved in the detailed content of the communication. Four out of ten overall, and five out of ten top managers, perceive this to be the case.

The study provides no answer as to why this is so, but one explanation often mentioned is that communication is something easy to have opinions about. As individuals, we are all communication consumers and may therefore think we understand enough to have opinions.

Another possible explanation is that communication is, in many cases, the most public activity a company engages in – the only one that all relatives, friends and acquaintances notice. This can make individuals at management level feel compelled to ensure that the 'right image' is conveyed.

High-performing companies value creative communication more highly – but half the managers see no value in it

Creative communication that is original and has an emotional impact is more effective than non-creative communication.¹⁷ Various studies have estimated its effectiveness at six to ten times greater.¹⁸ The main reason is that recipients like it more and it 'sticks' better in their minds. Moreover, it conveys a positive brand image.

In the top chart, we see that just over half (54%) the respondents state that their company management sees value in creative communication. In other words, there are roughly the same number of managers who do not see the link between creativity and effectiveness.

We also see a connection with how companies perform. Among the high-performing companies, it is significantly more common for management to think that creativity pays off (77% vs. 49%).

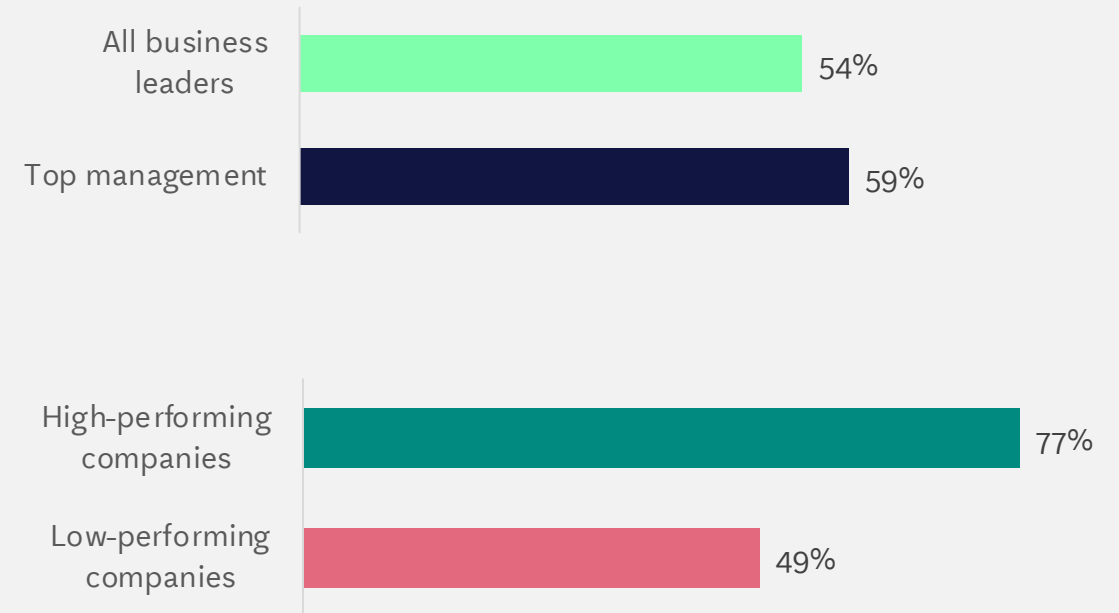
¹⁷Rosengren, S., Eisend, M., Koslow, S., & Dahlen, M. (2020). A meta-analysis of when and how advertising creativity works. *Journal of Marketing*.

¹⁸Binet, L. & Field, P. (2013) *The Long and the Short of it – Balancing Short and Long-Term Marketing Strategies*, IPA report; Field, P. (2016) *Selling Creativity Short: Creativity and effectiveness under threat*, IPA

Statement:

In the eyes of management, making communication more creative obviously pays off

Shares agreeing partly or entirely



Appendix

More information about the respondents



More information about the respondents

In which industry does the company mainly operate?

Manufacturing	24%
Retail	12%
Law, Economics, Science and Technology	12%
Information and communication	11%
Construction	9%
Financial and insurance business	6%
Other services	6%
Transport and storage	5%
Health and social care; social services	4%
Property	3%
Culture, entertainment and leisure	2%
Education	2%
Hotel and restaurant business	1%
Agriculture, forestry and fisheries	1%
Water supply, wastewater treatment, waste management and sanitation	1%
Rental, property services, travel services and other support services	1%

What type of customer is the company mainly oriented towards?

Businesses	65%
Consumers	24%
Public sector	11%

Which description or descriptions below fit your main occupation? You can select several options.

CEO or equivalent	24%
Owner or investor	23%
Finance	17%
Production	16%
IT	15%
Business development and/or strategy	15%
Sales	15%
Director	12%
Marketing, communication, information	12%
Other	12%
Administration	11%
Human resources	3%
Law	3%

How large a turnover does the company have?

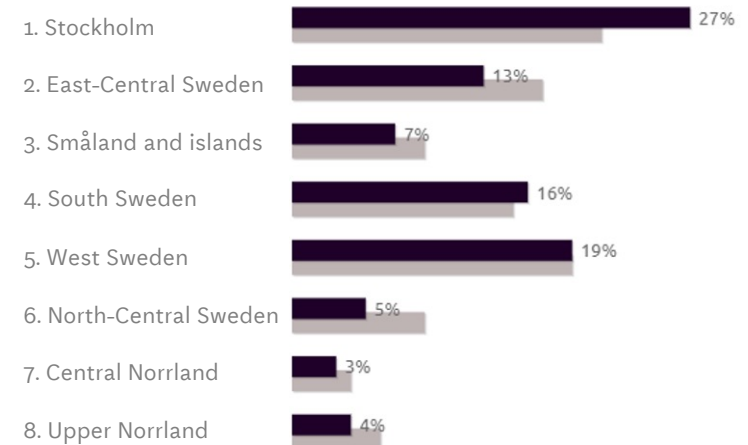
Up to SEK 99 million	48%
SEK 100–249 million	12%
SEK 250–499 million	9%
SEK 500 million or more	31%

The Dagens Industri (DI) panel

1 327 panellists
Average age: 54
77% men

Geographical distribution:

■ The DI panel
■ Sweden's population as a whole, by region





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