

# Will Advertising Be Dead by 2025?

It might sound extreme to suggest that advertising could die but if serious actions aren't taken soon the advertising industry is going to turn off consumers for good. Receptivity to advertising is essential for marketers to build brands and encourage purchase.



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## THE RECEPTIVITY PROBLEM

There are two vicious circles which seem to be fueling the receptivity problem. The first is the “share of voice” arms race as brands clamor to be heard. This tactic has been encouraged by the proof that ad awareness impacts brand saliency and sales. Increasing clutter tends to lower ad awareness response, and with so many new channels available clutter has been increasing significantly. So brands shout louder and more often because they're afraid of being out gunned by their competition. Brands know that increased share of voice – over time – leads to increased market share but do they know that too much frequency in too short a time frame can have a negative effect on brand perceptions?

The second issue is that consumers are suffering targeting torment. As online response rates have dropped, the reaction has been to target consumers more frequently and more intrusively. Millward Brown's AdReaction Video report, a 42-country study, gives us genuine insight into the perils and promise of targeting. Consumers have a highly negative reaction to targeting that is perceived as intrusive stalking, but a more positive reaction when targeting is based on relevance and topics of interest.

The AdReaction Video study demonstrated that giving people more control over how they're served ads increases receptivity. Two good examples of giving people more control are YouTube's Trueview and WeChat's Moments system.

Failing to give consumers control can have a very high cost. It was recently estimated that 50% of Europeans will be ad blocking in 2017 and that the US will hit the same level by 2018.<sup>1</sup>

## WHAT TO DO?

The advertising industry needs to understand that continuing to boost the volume and intrusiveness of advertising isn't going to engage the audience any better. We need to adapt to a new reality. Here are some suggestions for a better way forward.

### *Get more emotional*

Brands need to change what they value and develop a more balanced way of defining success. Neuromarketing has shown us the importance of emotional connections. BrandZ, a global study of consumers' opinions of brands, puts a dollar value on brands based on their impact on brand strength, brand growth, and their ability to charge a premium price. Emotional measures should have equal weight to the transactional ones that appear to have become the favored – myopic – way to define “performance.” Share of heart should be as important as share of voice, emotional connection as important as transactional response.

## ***Demand quality***

Currently there is no real value placed on the improved return on investment of less cluttered and higher quality online publisher environments. Less clutter means stronger response to advertising but it takes a brave publisher with a great sales team to push down this path, and make it work economically. Therefore advertisers need to play a bigger role in requiring and rewarding placements with less clutter, and more evaluation work to prove their value. This will improve the audience experience, protect receptivity and perhaps quell the blockers.

## ***Max the mix***

In today's world brands need to assess and then use the right moments to talk. This means using the media mix to increase the likelihood of reaching a receptive audience and identifying entirely new moments to talk through media. Millward Brown CrossMedia studies show that brands using a media mix – which extends to PR and point of sale for example – increases brand uplifts. The award-winning print campaign by Nivea in Brazil, which gave parents the ability to track their children's whereabouts on the beach using a print ad and a smart phone, is a good example of a brand finding the perfect moment to talk.

## ***Engage, don't threaten***

Audience targeting needs to become more qualitative because if it's used in the right way it can be positive. The Millward Brown AdReaction Video study showed that consumers themselves are slightly conflicted in what they want and the sources of data that they're happy for brands to use. The solution is for brands to use data to target judiciously and to focus on the consumer's experience of what they are delivering over the volume of interactions they deem to be "engagement" (which may simply be irritated consumers clicking to try to clear the ads away).

## ***Listen to the consumer***

Positive consumer feedback should be the test before any content in any form in any media goes live. However you choose to measure it, the consumer voice matters. It's a small price to pay for a more assured return on investment, and to avoid worthless advertising pollution.

## ***Go native***

Native advertising – sponsored branded content – has more potential than is currently being explored. Media owners have some amazing skills which advertisers should work with to make the format work better, rather than allow it to become ad spam. A great example of effective native advertising is a recent partnership between Netflix and the *New York Times*, as part of the promotion of *Orange Is the New Black*, the show that looks at issues faced by women inmates in the US penal system.

## ***Be remarkable***

It might sound obvious, but now more than ever, when there is so much competition, brands need to focus on creating truly remarkable ideas and experiences in order to cut through. Good creative lasts a long time and delivers a higher ROI. The 2011 People's Car project in China was remarkable in the way that it harnessed the creativity of the audience by creating a conversation about what a car could be, which then drove users to a Web site where they could actually build the car of their dreams.

If advertising is going to have a future, we should act now. The most precious asset for advertisers is the audience's willingness to engage with their brand. Advertisers and media buyers need to change if they want to communicate with a receptive audience.

## References

1. <http://www.mondaynote.com/2015/12/21/2015-numbers-2016-outlook-for-advertising-mobile-and-emerging-markets/>

## Key Takeaways

- Consumers are becoming increasingly fed-up with advertising intruding in their lives, but their receptivity to ads is critical to success.
- Share of voice, noise, frequency and intrusion shouldn't be used as a substitute for thought and effort to create emotional – and transactional – connections.
- Understand what the consumer finds valuable and deploy it creatively across a range of touchpoints to deliver a more positive advertising experience.