MEDIACOM

BLOG

Acquisition myopia

ADVERTISING BEHAVIOUR CHANGE EDINBURGH

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With the average tenure of both CEO and CMO's in the UK averaging under 5 years (down from 8 in 2010) is it any wonder that advertising and marketing has taken on a short-term approach?

Add to that the combined challenges of Brexit chaos, a rapidly changing retail and services landscape and the "move fast and break things" approach of Palo Alto style tech companies and it's understandable that the industry has been obsessed with short-term attribution and immediate sales gains.

We aren't helping ourselves either by alienating the consumer, increasingly bombarded by ad messages, particularly re-targeting, with a lack of human sensibilities around frequency capping has sent consumers views of advertising to its lowest recorded levels.

What about long-term brand health under all this pressure?

It was refreshing to read this week that Adidas has recognised the issue and are taking steps to address it: –

Speaking to Marketing Week, the sports brand's global media director, Simon Peel, says every aspect of marketing is moving away short-termism to a "better balance". "Short-termism is always going to exist," Peel says. "But what we're trying to do is to make sure that while we're doing that we also look after the long-term health of the brand and know that behind those short-term deliveries, the brand is the one that ultimately delivers against them."

Like many publicly-listed companies that have to deliver quarterly earnings to shareholders, the pressure to perform means the bulk of Adidas's spend is going on short-term activations.

This is something Adidas is looking to redress, with the media function trying to "push the 60/40 rule" – the optimum ratio of long-term brand building versus short-term sales activation according to work by Peter Field and Les Binet – as a base across all its markets.

"We're gradually beginning to invest much more in our brand," Peel says. "As we've done that it's correlated with our growth. I don't think it's necessarily been the cause of it; it's representative of a new way of thinking within the organisation which is about brand desire and looking after the long-term health of the brand."

Peel believes it is a combination of legacy infrastructure and siloed KPIs, meaning teams often aren't focused on the same outcomes, which have made it difficult to find the right balance in the past. Fitting business KPIs such as revenue, profit and NPS into media can be a challenge too, Peel says, which is why Adidas uses "proxies". This means the media team can change the KPIs it is working against if it doesn't believe they are delivering against the main business objectives.

Of course, all of us working for PLC's have short term targets to hit, but those shouldn't come at the cost of mid/long-term brand obsolescence caused by a lack of a salient brand strategy.

Take a moment and to look at your budgets and KPI's, if they look nothing like Peter Field and Les Binet's views you might want to take some time to consider a re-think or risk the future of your business.

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