

Whitepaper

# Driving Advertising ROI with Research

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# How can market research insights **improve** advertising and marketing campaigns?

We spoke to WA advertising agencies to get their thoughts.

Focus groups kill creativity. It was a bold statement, and one that caught our attention when it was made on LinkedIn by a founder in the marketing industry.

The statement was referencing Aldi's 'Go Big on the Little Things' Christmas 2023 ad, produced by creative agency BMF Australia, that features talking potatoes and apparently prompted some complaints from people who clearly have too much time on their hands.

Had the ad been tested in focus groups, it was argued, it wouldn't have seen the light of day because all the magic that makes the campaign memorable would be stripped away, and it might well have become just another bland ad about family togetherness.

While the point was well made, it fails to acknowledge that the skill of the qualitative researcher lies in their ability to work in the grey; to tap into the subliminal messaging, and link the feedback to the research objectives.

Market orientation is critical to product and service development, so surely it's also critical to ad campaign development?

If research is killing your creativity, drop the research company – not the ad. Done well, research can improve the effectiveness of your ad campaigns and perhaps more importantly, help you avoid failure.

It's all about the way you interpret the feedback and make sense of it, which relies on in-depth understanding of the client and their campaign objectives, and alignment on what the research is seeking to achieve.





In this whitepaper, we explore how research insights, both qualitative and quantitative, can guide, inform and inspire at each stage of the campaign development process:

**1** During the initial discovery phase

**2** To test and refine initial creative territories, the foundational building blocks of ads

**3** Pre-testing one or more ads, to refine and optimise prior to launch

**4** Post-testing and evaluation, after campaign launch, to measure effectiveness and impact, and inform future campaigns

We argue, with help from some of WA's leading marketers, that market research can not only inform but substantially improve campaign strategy and execution.

## Before campaign strategy development

Ad agencies typically begin the campaign development process with an upfront discovery phase. The aim is to form a deep understanding of the client's business, target market, competitors and category, to inform strategy development and campaign planning.

Joel Pember, Brand Director and Co-founder of Juicebox, says the purpose of this information-gathering phase is to "bring in the outside view, surface convergent and divergent ideas, test and validate assumptions, and gather evidence for the strategy."

Matt Popkes, Head of Strategy at The Brand Agency says this is a mandatory part of the discovery process in any strategic project where the agency is producing campaign material.

We would always at this point be building in time for engaging with stakeholders through workshops and interviews and engaging with end users," he says. "When it comes to a brand platform, where we're saying: this is your framework for organisational purpose, values and key messages, all those elements that make up a brand platform would be informed by having done research with people within an organisation and the audiences that they serve. It's always the foundational first step of just about any project that we're doing.

**- Matt Popkes, Head of Strategy at The Brand Agency**







During this discovery phase, tapping into a client’s existing market research, such as brand health tracking or customer segmentation, can provide invaluable insights on:



Brand awareness, perceptions, consideration and usage, both of the client and their competitors.



The target audience, such as demographic, geographic or psychographic profiling.



Consumer attitudes, behaviour and decision-making within the category.

This market intelligence helps the advertising agency better understand the opportunities and challenges that exist for the client. Relevant insights identified in the research – such as unmet consumer needs, brand territory white space, or what influences decision-making – can guide the direction of the campaign.

Nicole Lennox Gray, Strategic Partner at Wildlings, sees the benefits of evidence-driven campaign development.

“What we really like at Wildlings is the data to inform the creative strategy,” she says. “When we start a project, we look at what data is available to us through our clients.”

Lennox Gray says many of their clients have brand trackers that can be mined for insight to inform future campaigns. “When we’ve stayed true to the brand tracking, the results have been phenomenal,” she says.

Adam Marshall, CEO of Marketforce, says that a client’s market research agency can hold market intelligence on how their brand and marketing is performing, that feeds into the work the agency does on their behalf.

“What makes our world a billion times more interesting is if we have that unique piece of knowledge about an audience or a brand that’s going to transform the marketing,” he says.

Exploratory qualitative research during the initial discovery phase is another powerful way to enable evidence-driven campaign development. This might include consumer focus groups, in-depth interviews with stakeholders, or shop-alongs with customers.

Marshall says when undertaking or observing qualitative research, sometimes you witness such big ‘aha’ moments occurring live that it makes your spine tingle.

He recalled with excitement the time research was being conducted to inform a university marketing campaign, and a picture drawn by a school student completely changed the way the agency was thinking about the journey to university.

“We’d asked school-aged kids in WA to draw what uni meant to them through pictures so we got all these pictures back, 50 or so, and there was one that just leapt out of the pile,” he says. “We put it on the wall and that was our north star from that moment on, and it changed everything.”

This type of research can provide the advertising agency with an in-depth understanding of how the target audience thinks and feels, deeply exploring and unpacking how and why people make the decisions and choices they do – both consciously and sub-consciously.

As Lennox Gray says: “When you talk to people, you can find opportunities for your brands that they didn’t know existed. The power of research comes from getting what people think, and digging really deep into what they don’t know they need yet.”

Matt Oakley, Chief Strategy Officer at 303 MullenLowe, believes research has a key role in helping to focus and inspire the work that follows – in other words, the problems that need to be solved – as well as shedding new light on how to respond to those problems.



When we’re starting off and in more of a divergent mindset, research provides us with a clear jumping off point for exploration. We then use research iteratively across the process in terms of helping us with our convergent thinking and honing in on a solution.

**- Matt Oakley, Chief Strategy Officer at 303 MullenLowe**

Research can provide direction to the creative, and focus the inspiration.

“I’m very much in the ‘use research for illumination rather than support’ camp,” says Oakley. “I don’t just use research to prove things, I look at it to be a bit more explorative and bring new ideas out of the shadows where they may have previously remained hidden.”

Claire Dewhurst, Senior Strategist at Rare, shares this sentiment, saying that upfront research can “be the building blocks for brand strategy to spark creativity.”

A former researcher, Dewhurst says the way research is conducted requires an open mind.

“Even desk research and social listening, digital ethnography, can be very powerful,” she says. “Especially with topics that are sensitive, people behind a keyboard can unleash their innermost secrets.”

Coming full circle, pre-campaign market research insights can also be used as a baseline measure to understand the effectiveness of the campaign, down the track. Having a pre-campaign read on measures like brand awareness and consideration, or target audience attitudes and behaviour, then re-measuring after campaign launch, can indicate whether the campaign is achieving its aims.



## During campaign development

After the information-gathering stage, the advertising agency prepares an evidence-based campaign strategy. Inspired by insights that were uncovered through primary or secondary research, one or more creative territories might be developed. These are high-level concepts or ideas that could be used as the foundational basis for an ad.

Testing consumer reactions to different creative territories, typically in a focus group setting, can provide valuable direction on which ideas to pursue, and how they can be refined – and those that just don't resonate.

Advertising agencies stress the importance of a skilled researcher who can meaningfully interpret respondents' feedback, taking into account the intended goals of the campaign. The purpose of concept testing might not necessarily be to get consensus on which creative territory or ad is the most likeable, and negative feedback during testing doesn't mean the ad should be scrapped altogether.

For example, if the campaign's aim is to prompt behaviour change, its message might make respondents uncomfortable, as John Linton, Managing Partner at Berlin, points out.

He says it's less about scrapping a concept that doesn't test well altogether, and more about refining it by understanding the 'why'.

I've seen pre-testing get really governed by whether people liked or didn't like the concept, and lose sight of what the concept was trying to do in the first place. In those instances you need a really savvy researcher and client to say, 'well we didn't really get this amazingly positive response, but did we want that?'. You need a level of analysis and intelligence from the research agency, rather than just reporting what people said.

**- John Linton, Managing Partner at Berlin**

Conducting pre-testing of draft, almost-finished or fully-fledged ads is another way market research can ensure the end results are as effective as possible.

This might involve showing respondents a draft storyboard format of the ad, to gauge their reaction and feedback, to refine different elements when producing the final ad. Or, two or more fully finished (or almost finished) ads might be shown to respondents, to test which version elicits a stronger response or communicates the intended message most effectively.







In their now famous book, 'The Long and The Short of It', Les Binet and Peter Field assert that emotional campaigns produce more brand effects and more business effects than campaigns based on rational messaging.

Qualitative pre-testing research can help elicit these emotions and determine whether or not they're desirable. While some advertising agencies have in-house research capability, they say there's merit in having concept testing conducted by an independent research agency, who can provide objective feedback. Sometimes the client insists on it, to avoid the agency marking their own homework.

Popkes says in these cases, it's more logical and typically the client's preference that the research is conducted by "a neutral third party".

Mel Wiese, Chief Strategy Officer Australia at VML, says she's recommended to clients that they use a third party so they can rely on the results.

"My preference is always for it to be really transparent and objective," she says. "It's a good safety mechanism, but it's also a good challenge. The clients need to trust it. It's robust. I'd rather it tells the truth, so we can fix nuances and make sure it's going to work. I'd rather know sooner than later if something is not going to perform in market!"

## After campaign launch

Post-launch research can evaluate the campaign's impact and effectiveness, and provide learnings for future campaigns.

Typically, post-campaign research involves a quantitative study of the target audience, measuring advertising recall, message take-out, brand linkage, and ease of understanding. Importantly, it also quantifies the impact of the campaign on intended behaviour.

This can provide feedback like:

- How effective was the ad's call to action?
- Did the campaign reach the intended target audience?
- Did people remember who the ad was for?
- What did they do after seeing the ad?
- Were certain channels more effective or memorable than others?

These findings can be used to tweak channel strategy, key messaging or creative elements, and can inform future advertising.

However, quantitative research is also used more broadly by ad agencies to evaluate strategy or help inform business decisions.

Wiese says in CX projects, quantitative research is often used to validate assumptions about how people navigate a product or service.

"It's also really handy for user experience or shopping experience, or how people navigate their way through a particular buying journey or process, and we use it to validate personas," she says.

Longer-term, an ongoing research program, such as annual brand health tracking or target audience research, can identify new opportunities such as new customer segments or changing behavioural trends.

As Linton notes: "the point of doing tracking is not just to report on success or failure, it's to understand what's the next problem that we should be trying to solve."





## A three-way partnership

The agencies we spoke to overwhelmingly agree that when clients have an existing market research provider, it's well worth building in a little time – and budget – at the start of the campaign development process for insight sharing and relationship building between the agencies.

And better yet, building in opportunities for all three – the client, their advertising agency and market research provider – to collaborate throughout the entire process.

Pember says the ideal situation arises when “we have a client and we have identified a potential strategic roadmap and therefore we want to realise this outcome but we need more data and insights, and leaving the brief open for co-creation and co-design.”

Dewhurst says open communication solves a lot of problems: “Getting everyone in the room, and respecting everyone’s skill set. Sometimes [the role played by client, researcher and ad agency] feels a bit protected and I don’t think it needs to be. When there’s a few closed doors it’s not just conducive to good work.”

A partnership approach between the ad agency, client and market research firm ensures alignment from the outset, and that the research findings are grounded in the context of the business goals and campaign objectives.

Popkes believes there should be more milestones in which creative agency, research agency and client are in the same room, discussing what each is bringing to the table and why. “That really doesn’t happen often enough,” he says. “I just don’t think anybody’s proactively and intentionally making sure that those interactions happen and that all three parties are being brought to the table consistently. To make that happen relies on the creative agency, research agency and the client themselves making it a priority.”

## Conclusion

The secret to impactful advertising lies in understanding and anticipating the needs and behaviours of the target audience through data-driven insight.

Market research is a powerful tool throughout the campaign development process. It doesn't just help to uncover new opportunities and inspire creativity, but also to instil confidence that the campaign will resonate, cut through and communicate the intended message to the intended audience; and finally, to provide a way to measure whether it achieves its aims.

It's essential in crafting campaigns that truly resonate with and engage target audiences. By deeply understanding the category and target audience, ad agencies can develop campaigns that are relevant and impactful, leading to better outcomes for the client.

Gavin Bain, Chief Consulting Officer at VML, says the question of whether to use research to drive marketing effectiveness really comes down to whether or not you want to be known as an effective marketer.

Not enough clients do research, or do good research. Some just don't do anything. I think a lot of agencies in Perth probably talk their clients out of doing research because they want to spend the money themselves, but then there's less money to spend because you can't prove a positive ROI and what you're doing, it doesn't prove effective. And then marketing as a budget gets decreased and decreased because you can't show that it worked.

- Gavin Bain, Chief Consulting Officer at VML



The strategic use of market research not only enhances the design and execution of advertising campaigns but also ensures they remain dynamic and responsive to market and audience shifts.

As Lennox Gray says: "Use the power of research to find possibilities."



## Thank you to:

- 303 MullenLowe (Matt Oakley)
- Berlin (John Linton)
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- Marketforce (Adam Marshall)
- Rare (Claire Dewhurst)
- The Brand Agency (Matt Popkes)
- VML (Gavin Bain and Mel Wiese)
- Wildlings (Nicole Lennox Gray)

## About Us

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