

Account Planning - What Role Does it Play in Advertising Effectiveness?

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Abstract

What role does account planning play in the creation of effective advertising? Is there a trend evident in the application of the account planning process in the development of a campaign and the resultant market effectiveness of that campaign? Adopting the Advertising Federation of Australia's Advertising Effectiveness Awards 1998 to 2003 as a reference source, this paper sets out to explore the notion of account planning and those agencies employing account planning as being significantly and demonstrably involved in the development of campaigns that are judged to be effective in Australia.

Introduction

In advertising and marketing communication planning, objectives are commonly held to be the drivers for outcomes, accountability and success (Hartley and Patti, 1998). Schultz and Barnes (1996) state that the first rule of advertising campaign testing is to set objectives for measurement. Yet, as Xavier, Patel and Johnson (2004) identify, the majority of objectives fail to meet the important test of measurability, being nebulous rather than time-specific. It is considered that in the current and foreseeable continuing global climate of agency accountability and of clients' focus on return on investment from both their agencies and indeed their own marketing departments (King, 2004), account planning (also referred to as strategic planning) is in danger of either being dismissed as a disposable cost or truly being called to account in terms of demonstrable effectiveness – by both client and agency management.

As was identified in a scoping study by Butcher and McCulloch (2003) the role of account planning in Australia has to varying degrees been accepted, however its demonstrable value remains largely unproven. It is acknowledged that a considerable body of literature exists in relation to the history and methodologies of the account planning discipline however there appears no published benchmark for identifying its effectiveness or accountability. This paper, based on a review of documented Australian advertising campaign case studies, utilising the Advertising Federation of Australia Advertising Effectiveness Awards 1998 to 2003, asks the question: "Is there a correlation between the incidence of account planning in the development of an advertising campaign and its subsequent effectiveness in the marketplace?" In reviewing these case studies, the author seeks to identify if what role account planning has played in the development of effective advertising campaigns.

A Background to Account Planning

Whilst the philosophy and application of account planning is well established, respected and utilised in the UK and to a lesser extent in the US, acceptance in Australia has been less universal. The study undertaken by Butcher and McCulloch (2003) indicated that advertising agencies face scepticism from clients as to the discipline's real value. The study further identified that even after three decades in Australia, account planning remains largely

misunderstood and thus is underutilised by the majority of Australian agencies and their clients. However, proponents continue to argue that effective advertising is substantially enhanced through its application (Cooper, 1997; Hartley and Patti, 1998) thus supporting the notion of the value of account planning in the development of effective communication.

A Question of Effectiveness

There has been significant commentary concerning accountability, performance-based remuneration (PBR) and return on investment (ROI) from the collective perspective of all stakeholders involved. In recent times advertising budgets have been under intense scrutiny within client companies so marketing departments and advertising agencies are focusing hard on proving a return on investment. According to the National Chairman of the AFA, proving the effectiveness of advertising has never been more important than it is today (Melhuish, 2004). While it is argued that accountability is the responsibility of all stakeholders involved in marketing a company's products and services or promoting a brand, Rowell (2004) places the responsibility squarely at the feet of the advertising agency suggesting that it is the agency's principal role to provide excellent return on marketing investment for the client.

The notion of effectiveness in advertising is not new. Traditionally it has been linked primarily to media expenditure, but more recently the imperative to demonstrate effectiveness has spread to all facets of the marketing communication mix. Zyman (2006) believes that in the immediate future, ROI will encompass all aspects of the communication process.

As account planning is concerned with identifying consumer insight within the context of behaviour and in the process of creating outcomes (Fortini-Campbell, 1992), it is appropriate to expect account planning to take on the mantle of accountability. Aitkin (1997) supports this belief, stating that the account planner's ultimate responsibility is accountability for effectiveness. This investigative study then is important as there is little in the literature to support or otherwise the notion of account planning involvement in the development of effective advertising.

Methodology

Data analysis was based on a detailed investigation of 60 individual campaign case studies representing three AFA Advertising Effectiveness Award events. Whilst it is acknowledged by the author that the sample cannot claim universality as not all agencies participated in the awards nor were all Australian campaigns nominated for inclusion, the AFA's Advertising Effectiveness Awards do provide a valuable databank of successful campaigns which have all been subjected to a rigorous judging process involving marketers, academics and agency peers. Since their inception in 1990 the AFA Advertising Effectiveness Awards have become the industry benchmark for advertising effectiveness and are widely accepted and respected by advertisers, the media and agencies alike (AFA, 2004).

Relevance

The objective of the AFA Award program is to generate substantive case studies that can be used to further education and stimulate understanding of how effective advertising may be developed. The AFA Advertising Effectiveness Awards were chosen for, unlike the majority of advertising awards that are judged principally on craft skills, the AFA Awards are not

judged on the basis of creative subjectivity but rather a rigorous analysis of the commercial contribution made by the campaign in achieving set marketing objectives and proven market effectiveness.

Specific guidelines on the method of judging ensure judgement based on agreed criteria, increasing standardisation across the judging panel. In assessing the outcomes of the campaign, judges specifically consider the degree of difficulty of the task; the strength of evidence; the scale of the result; the return on investment. From over 100 campaigns entered, on average just 15 to 20 win AFA Advertising Effectiveness Awards at each bi-annual event. These are awarded across a spectrum of categories including consumer goods and services, new products and services, retail, leisure and tourism, commercial and corporate, social and government.

Permission was sought from the Advertising Federation of Australia to review the published data. As no electronic version was available, a process of manual de-construction of data was employed to identify the role of agency account planning and the application of the account planning process in the development of the campaigns.

Findings

Incidence of Account Planning Involvement in Case Studies

Figure 1 highlights that in 56% of all AFA Advertising Effectiveness Award-winning campaigns, account planners were nominated as key agency team members involved in the development these campaigns.

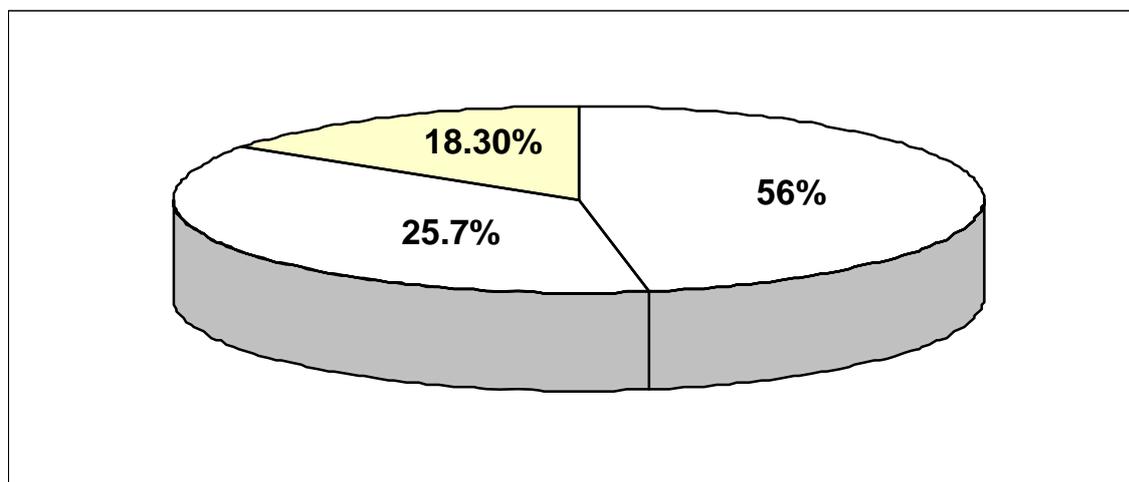


Figure 1: AFA Effectiveness Awards – Nominated Planner Involvement

Whilst account planners were not specifically listed as being members of the agency team in the remaining 44% of Award-winning campaigns, investigation of agency personnel listings in Ad News Handbook - the acknowledged industry personnel information source - revealed that in the case of an additional 18.3% of campaigns, the agencies creating those campaigns listed account planners on staff.

Agency Commitment to Planning

During the period 1998 to 2003, just 26 agencies have won AFA Advertising Effectiveness Awards. Over 50% of these have been won by just five agencies.

In Figure 2, the performance of these agencies in the AFA Advertising Effectiveness Awards over the five year period is shown. In reviewing the data it was found that each of these five agencies clearly demonstrated their commitment to planning by the acknowledgement of an account planner in their AFA Award-winning team.

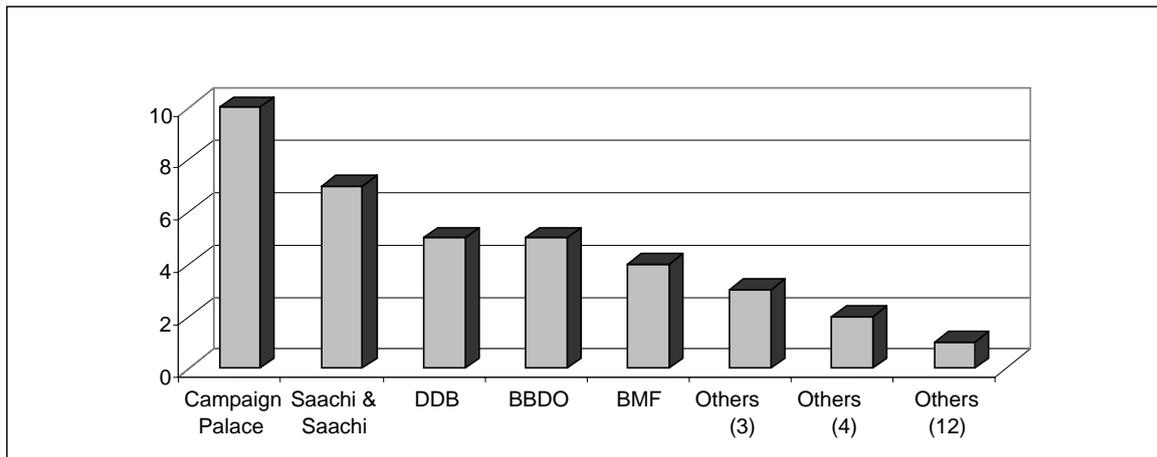


Figure 2: AFA Effectiveness Award Winning Agencies with Planners 1999 - 2003

Further investigation of Ad News Handbook identified just 30 agencies with account planners in senior staff positions, from over 966 mainstream advertising agencies listed nationally. So while a small number of agencies readily acknowledge the value of planning through their participation and success in the AFA Awards, there remains limited recognition and acceptance of the value of account planning by the broader agency community. This appears to support the findings of the Butcher and McCulloch (2003) survey and reflects a continuing lack of commitment to the account planning discipline in Australia.

Summary

Whilst just over half of all AFA Advertising Effectiveness Award-winning campaigns acknowledged the contribution of account planning and of account planners as key members of the campaign team, a further 18.3% listed account planners in their agency personnel listings in the reference publication Ad News Handbook.

Therefore it may be argued that in a total of almost 75% of cases, agencies utilising account planning were credited with the development of advertising campaigns that were judged, within the context of the AFA Advertising Effectiveness Awards, to be amongst the most effective in the country. This then would seem to support the notion of a correlation between the application of the account planning process and the development of effective advertising campaigns.

Accepting the non-universality of the sample, analysis of the data available revealed that of the 966 advertising agencies in Australia (Ad News, 2004-5) just 3% (26) had won AFA

Effectiveness Awards and of these, five agencies had won over half of all AFA Awards. With the exception of one agency, all were multi-nationals. This tends to support an earlier finding of Butcher and McCulloch (2003) that multi-national agencies, particularly those with a UK heritage in planning orientation are more likely to embrace the planning discipline than their Australian counterparts.

Conclusion and Further Research

Utilising documented case studies, this paper sets out to identify what role account planning plays in advertising effectiveness. Accepting the limitations of the sample, there does appear to be a trend that supports the notion that in those case studies investigated, the application of the account planning process is inherent in the development of demonstrably effective advertising.

Additionally, advertising agencies that display a significant commitment to the discipline are acknowledged as regular producers of advertising campaigns that are judged to be highly effective. However findings to this point would seem to indicate that even after 3 decades in this country account planning remains largely under-utilised by the vast majority of Australian advertising agencies.

Whilst it is by no means conclusive, the study does raise the question of the role and importance of the planning process in today's effectiveness-driven communication market and seeks to highlight the value of its application in the creation of effective advertising. The author views the work to date as exploratory and as a possible precursor to an in-depth quantitative study and welcomes input from others involved in helping to identify factors relating to the development of effective advertising.

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