Retail Marketing Effectiveness 2023

Insights for Marketers from
the DMA Effectiveness Databank

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/ Introduction

The embattled UK high street has experienced its fair share of false dawns in 2023. The rays of sunshine reported in June which saw retail sales soar in the good weather, were immediately countered by a wash out in July. Inflation may have now dropped below 7%, yet the economic outlook for 2024 remains particularly muted in the face of continued geopolitical uncertainty. Either way, trading conditions have been undeniably tough during the cost-of-living crisis: consumer demand has been impacted by squeezed household budgets, while retailer profit margins have been hit by cost inflation.

It is against this challenging backdrop that marketers are attempting to do more with less. With their marketing budgets under more pressure than ever, there is an even greater focus on hitting short-term targets through the use of promotional activity and discounting. It is for this very reason that the DMA has asked marketers in its "How to Win Back Customers and (re)Build Loyalty" report whether they have a cost-of-living crisis exit strategy in place – i.e. a strategy for reducing the heightened levels of price sensitivity and consumer promiscuity created by an over-dependency on deals and offers.

The retail sector has answered that question with a resounding "yes" in 2022. After retail marketing effectiveness experienced a significant course correction decline in 2021 following the effectiveness highs seen during the pandemic, there was a return to strong growth in 2022. A balanced approach to campaign strategy very much sat at the heart of this trend.

Advocates of Field and Binet's The Long and the Short of It will be encouraged by the healthy blend of brand and response activity by retail marketers in 2022. Meanwhile, those who recognise the importance in fostering customer loyalty along with a Byron Sharp-esque approach to growing their customer base, will be encouraged by the perfectly even split between acquisition and retention activity in 2022.

The UK high street might be facing some of its biggest challenges in decades, but it is clear that marketing is doing its part in driving business performance in these difficult times. This report dives deep in to the 112 retail campaigns covered in the DMA Effectiveness Databank to shine a light on the role of campaign strategy, media channels, data, technology, and creativity in driving retail marketing effectiveness.

We hope you enjoy this report, and as always we welcome the feedback of the DMA community and beyond.

Ian Gibbs
Director of Insight and Planning, DMA UK

/ Foreword – Sagacity

Retail covers such a breadth of organisations, it is often hard to unpick what is going on underneath. We often hear about the death of the high street, the move to out-of-town retail parks, the unstoppable rise of e-commerce and the mega-brands such as Amazon, and the slow takeover of our spend from the supermarkets. However, as is always the case, these high level stories often hide a range of smaller, often more interesting micro-trends underneath.

For example, I live near a small market town where the high street is thriving, supported by weekly and monthly farmers' and craft markets, and a local council that encourages these by providing cheap parking and family activities. Most of our food is bought locally with only top-ups and essentials purchased from supermarkets. I work in London where you would never believe a cost-of-living crisis exists most of the time, and often pass retail locations teeming with people. I buy a lot of items through Amazon because it is cheap and convenient. And I love finding new brands online that I would never have access to otherwise. I don't think I am unusual; I just think the retail world is one of complexity and contradictions.

Looking at measurement, this is often the case as well. High-level targets are often set at the macro level – acquire more customers, increase the retention rate, drive more visitors to the website – but the complexity of multi-channel campaigns and attribution means that there are often many layers to how measurement takes place. The role of each channel, such as mail and email, can seem small in isolation but when combined, they help to ensure the successful outcome of a campaign and often build towards an end goal, such as brand building. This report also highlights nicely how the combination of media needs to be considered when looking at different outcomes from a campaign.

As ever, Sagacity is very proud to be working with the DMA to produce this report. As a data company supporting many retailers with both their acquisition and retention campaigns – and it is great to see a balance between these two in this report – it is very important for us to be able to understand the key measures for retailers in their marketing activity. Often, we and our clients get stuck in the day to day and the channels we are supporting, rather than thinking about the bigger picture and the combined outcome.

This report highlights very effectively why it is important to keep an eye on the bigger result, while ensuring the micro-trends are also considered.

Scott Logie
Customer Engagement Director at Sagacity

/ Five things you should know

1. While the overall cross-sector picture of marketing effectiveness has remained muted in 2022, retail marketers have bucked the trend by recording one of the most successful years in marketing effectiveness in the last half decade. A focus on online growth and customer retention, plus the success of DIY retailers have all contributed to this performance.

2. Marketing is a key driver of brand and business outcomes for retail advertisers. Primarily however, it is a driver of short term performance, generating 2.9 response effects per campaign related to KPIs like revenue, sales, average order value improvements, and online sales increases in 2022.

3. Retailers have got the balance right in terms of campaign strategy in 2022. There is an even split between acquisition and retention activity, and the most even balance between brand and response activity seen in the last six years, with a third of campaigns having some sort of brand goal. This balanced approach has resulted in growth across the board in terms of brand, response and business effects in 2022.

4. Ad Mail, Email, and Radio and Audio are key response marketing channels for retail advertisers, delivering promotions, discounts and offers to existing customers and new acquisitions alike. Conscious of the need to counter the increased price sensitivity that comes with heavy discounting, retail marketers have combined response activity with brand activity to great effect in 2022. TV, out-of-home, press and magazines, and experiential marketing are key brand-building channels.

5. The confluence of data, creativity, and technology can be used to maximise retail marketing effectiveness. Data- and technology-driven campaigns have proven themselves to be particularly adept at boosting response campaign effectiveness, while highly creative campaigns find their strengths in boosting the number of brand effects per campaign.

/ Approach and definitions

The DMA's Effectiveness Databank captures data from 1,261 DMA Awards entries, 112 of which relate to campaigns from the retail sector. As with other awards-based effectiveness databases, a lack of standardisation in how award entrants talk about effectiveness requires us to use a methodology that records the number of reported campaign effects – rather than focusing on the specific scale of each individual effect measured. A larger number of effects is equated with greater effectiveness. These effects are specifically taken from the results section of the DMA Awards entry form.

Each individual effect has been recorded and grouped into one of four categories (refer to the 'Methodology' section for the full list of recorded effects):

1. **Response Effects:** Effects that direct response and performance marketing campaigns are tasked with (e.g., short-term sales, conversions, acquisitions, member signs ups, bookings, downloads, CPA efficiencies, and response rates)

2. **Brand Effects:** Effects that specifically relate to brand measures, for instance, the types of metrics that brand trackers are usually tasked with keeping tabs on (e.g., brand awareness, ad recall, consideration, purchase intent, brand trust, brand perception, recommendations, customer satisfaction, and NPS)

3. **Business Effects:** Effects related to overall business performance. They are distinct from response effects in that they typically point toward the long-term sustainability of a business and speak the language of the boardroom (e.g., profit, market share growth, customer penetration, and loyalty)

4. **Campaign Delivery Effects:** These measures are essentially media planning campaign inputs (e.g., reach, frequency, and impressions) and so-called 'vanity metrics' such as clicks, likes, and shares. These ultimately say little about campaign effectiveness, but as they have appeared in the results sections of the DMA award entries, they reveal a great deal about how marketers are articulating campaign impact.

Example Effectiveness Metric

Business Effects	Brand Effects	Direct Response Effects	Campaign Effects
Profit Sales Market share Penetration Loyalty Price Sensitivty	Awareness Consideration Brand Perceptions Purchase Intent	Conversions Leads Acquisitions Bookings Footfall	Reach Frequency Impressions Clicks Social Engagements
The language of the boardroom	The language of the marketing department		The language of campaign planning

Every campaign will have some form of delivery metric at its disposal, and most campaigns will, in theory, be part of an overall strategy to shift the dial on business outcomes. Brand effects and response effects are more specialist in nature. Both relate to distinct stages of the customer journey, and both employ very different strategies to drive a desired outcome.

At various points in this report, these effects will be discussed separately and at other times they will be combined into a measure of the total average number of effects measured per campaign ("Total No. of Effects").

It is important to note that as campaign delivery measures tell us nothing about true campaign impact, their usage should really be confined to media planning, optimisation and campaign auditing. As such they have been removed from the overall definition of effectiveness used in this report. In summary:

TOTAL NUMBER OF EFFECTS = AVERAGE NUMBER OF BRAND EFFECTS + AVERAGE NUMBER OF RESPONSE EFFECTS + AVERAGE NUMBER OF BUSINESS EFFECTS

/ 1. How is retail marketing effectiveness evolving?

Over the past six years, retail marketing effectiveness has adopted an alternating "one year good / one year bad" dynamic that continued in to 2022. Either way, the retail sector has tended to perform better than the average campaign in the DMA's Effectiveness Databank, pointing towards the vital contribution that retail marketers make in delivering growth to their businesses.

Prior to 2022, retail marketing effectiveness had looked to have peaked in the Covid-stricken landscape of 2020. Consumers stuck at home during lockdown found themselves to be more engaged with and more receptive to marketing communications. In the retail space, this manifested itself in healthy sales in the essential stores that remained open, while online retail for discretionary purchases boomed. The following year however, reflecting an industry wide trend, reality began to bite. As the economic aftershock of Covid kicked in for consumers, response declined along with overall marketing effectiveness.

While the rest of the marketing industry saw this muted picture of effectiveness continue in to 2022 as the cost-of-living crisis kicked in, the retail sector has instead proved to be remarkably resilient. Despite high inflation levels and rising interest rates impacting consumer spending power, the retail sector bounced back with a new record year for effectiveness as the average piece of retail activity recorded 3.9 effects per campaign.

Total Number of Effects per Retail Campaign 2017 to 2022
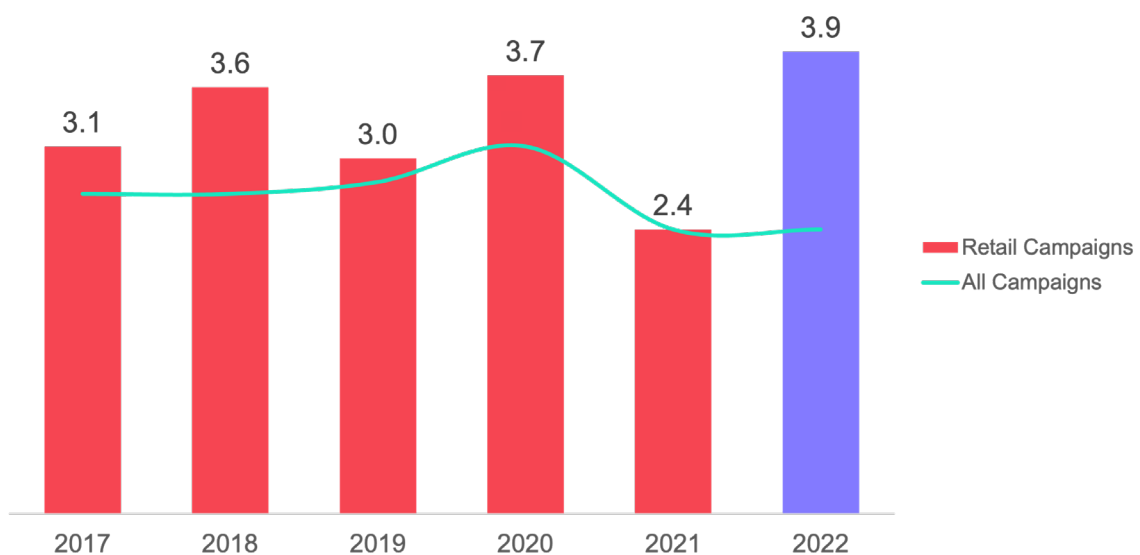
n=1,261 campaigns of which n=112 retail campaigns

The ability to drive short-term response to marketing activity was a big driver of this performance in 2022. As the chart below shows, the average retail campaign generated 2.9 response effects in 2022, primarily relating to metrics such as **revenue growth, Average Order Value (AOV) growth**, and an **increase in online sales**. At the same time brand effectiveness has made a significant contribution with 0.5 effects per campaign, along with business effects of 0.5 per campaign.

The Anatomy of Retail Campaign Effectiveness 2022

n=19 retail campaigns

When assessing the anatomy of retail marketing effectiveness over time, it is clear that the biggest contributing factor to the decline in 2021 came from response marketing metrics. Not only has the effectiveness of response marketing bounced back in 2022, but brand effects have also doubled, contributing to a record breaking year for retail marketers.

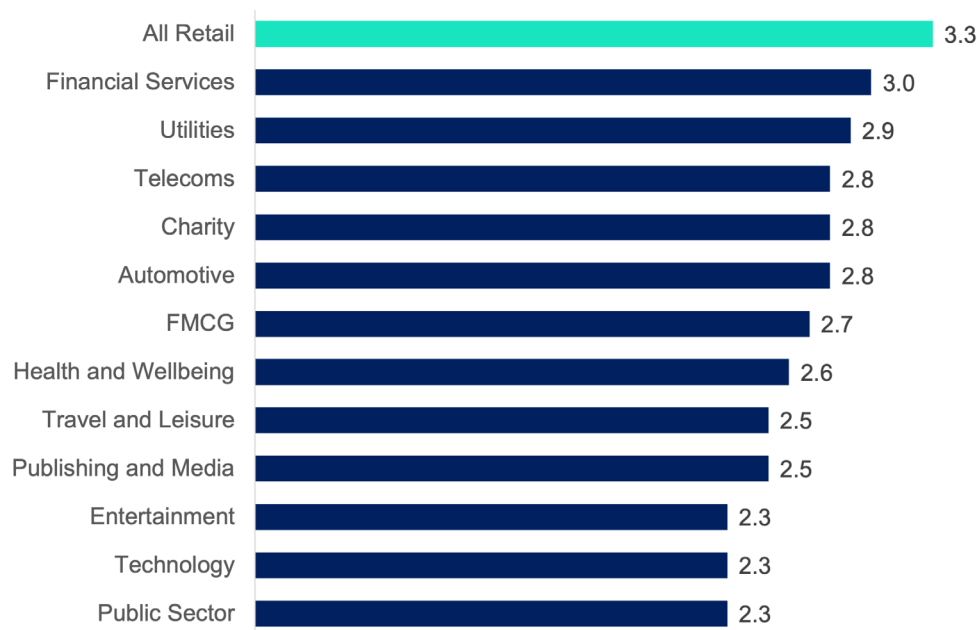## Average Number of Response, Brand and Business Effects per Retail Campaign 2017 to 2022
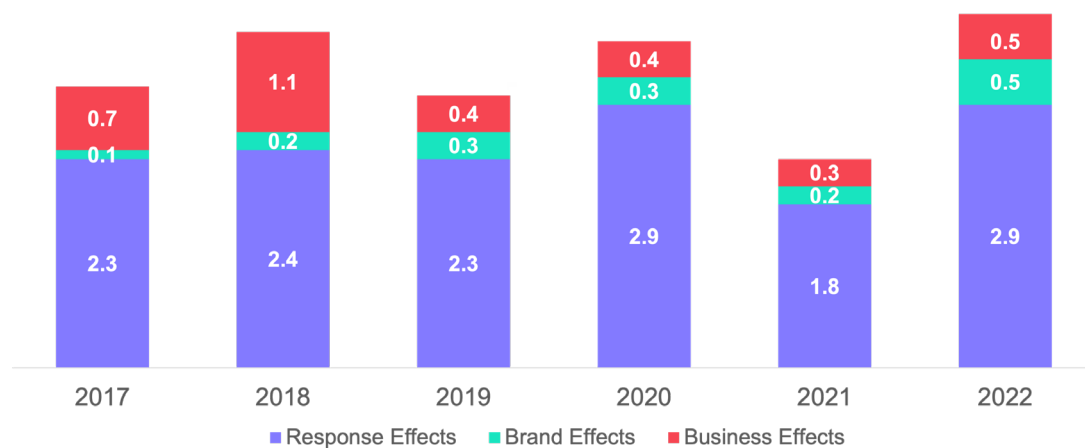
n=112 retail campaigns

The stories coming out of the UK high street tend to be ones of doom and gloom—store closures, declining footfall, and outdated brands lacking appeal. At a first glance, it is hard to square the positive marketing effectiveness results observed in 2022 with this negative backdrop. However, when scrutinising the data, a number of underlying trends provide an explanation here:

1. One of the top three response effects recorded in 2022 was a **growth in online sales**. Those retailers which have embarked on the process of digital transformation early are now reaping the rewards by realigning themselves with shifting patterns of digital consumer behaviour.

2. **DIY retailers** have made up a greater proportion of retail campaigns in the databank in 2022 and are performing well above average in terms of marketing effects generated. With the housing market impacted by the rising cost of borrowing, consumers have instead turned to improving their existing homes and DIY retailers has absolutely capitalised on this trend, as this DMA Award-winning work from Wickes demonstrates.

3. As reported in the DMA's "How to Win Back Customers and (re)Build Loyalty" report, the cost-of-living crisis has manifested itself in record-breaking levels of declining loyalty for brands. In the retail space, those brands which have focused their efforts not only on acquiring new customers, but attempting to retain their existing ones, have seen their efforts rewarded in 2022. This proactive personalised marketing approach targeting existing Curry's customers was a case in point.

Total Number of Effects by Sector 2017 to 2022

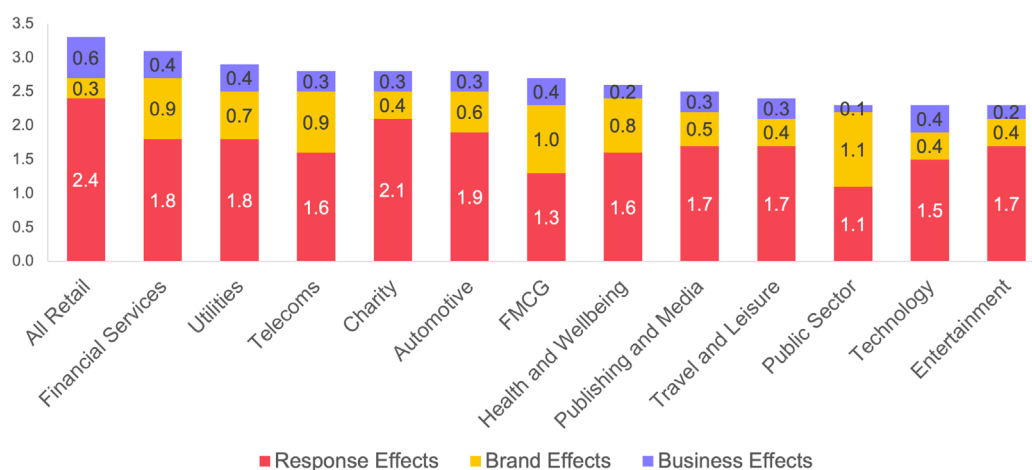| Sector	Value
All Retail	3.3
Financial Services	3.0
Utilities	2.9
Telecoms	2.8
Charity	2.8
Automotive	2.8
FMCG	2.7
Health and Wellbeing	2.6
Travel and Leisure	2.5
Publishing and Media	2.5
Entertainment	2.3
Technology	2.3
Public Sector	2.3

n=1,261 campaigns

After such a strong 2022, retail marketing campaigns now sit at the top of the all-sector rankings, ahead of the financial services and utilities sectors in second and third place respectively. Retailers' ability to generate short-term response is what puts them there, rather than their focus on brand building. Indeed, as the chart below shows, if the all-sector rankings were based on branding efforts only, retail would in fact sit at the bottom of the table.

As the next chapter will cover however, this lack of focus on brand building over the last half decade is changing, with retailers increasingly displaying some long term foresight into the positive effects of building and maintaining brand presence.

Average Number of Response, Brand and Business Effects by Sector 2017 to 2022

Sector	Response Effects	Brand Effects	Business Effects
All Retail	2.4	0.3	0.6
Financial Services	1.8	0.9	0.4
Utilities	1.8	0.7	0.4
Telecoms	1.6	0.9	0.3
Charity	2.1	0.4	0.3
Automotive	1.9	0.6	0.3
FMCG	1.3	1.0	0.4
Health and Wellbeing	1.6	0.8	0.2
Publishing and Media	1.7	0.5	0.3
Travel and Leisure	1.7	0.4	0.3
Public Sector	1.1	1.1	0.1
Technology	1.5	0.4	0.4
Entertainment	1.7	0.4	0.2

■ Response Effects ■ Brand Effects ■ Business Effects

n=1,261 campaigns

Key Implications

1. Marketing is a key driver of brand and business outcomes for retail advertisers. Primarily however, it is a driver of short-term performance, generating 2.9 response effects per campaign related to KPIs like revenue, sales, average order value improvements, and online sales increases in 2022.

2. While the overall picture of marketing effectiveness has remained muted in 2022, retail marketers have bucked the trend by recording one of the most successful years in marketing effectiveness in the last half decade. A focus on online growth and customer retention, plus the success of DIY retailers have all contributed to this performance.

3. Retailers have typically recorded far fewer brand effects than other sectors over the past half decade, with their success instead being linked to more immediate response or activation marketing efforts. There are signs that this response vs brand balance is starting to shift, however, with a greater emphasis being placed on the latter.
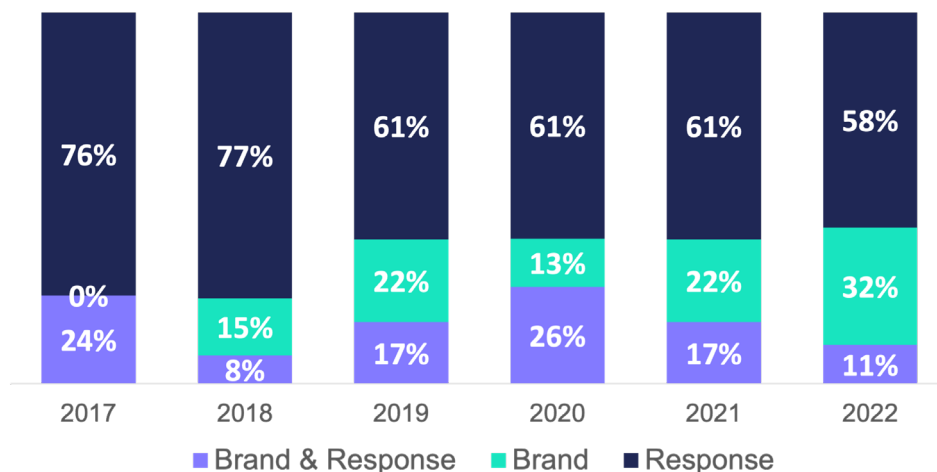
/ 2. How does retail campaign strategy impact effectiveness?

The fundamental campaign planning decisions of which consumers to target (existing customers or new acquisitions), and how to generate a reaction from them (through direct response activity or brand building) have a considerable bearing on retail campaign effectiveness. Each planning decision must be carefully weighed up in the context of overall campaign strategy, and while each decision will inevitably involve a set of trade-offs, the DMA's Effectiveness Databank provides a unique source of insight by which different campaign strategies can be evaluated.

Direct Response vs Brand Campaigns

There has been a noticeable shift in the profile of retail campaigns over the last six years, with an increasing focus being placed on brand objectives. In 2017, none of the retail campaigns measured had a pure brand-building goal, while three quarters had a pure response focus. By 2022 this picture had changed dramatically, with a third of campaigns now purely focused on brand building.

Retail Campaign Brand vs Direct Response Profile (% campaigns)

|	2017	2018	2019	2020	2021	2022
Response	76%	77%	61%	61%	61%	58%
Brand	0%	15%	22%	13%	22%	32%
Brand & Response	24%	8%	17%	26%	17%	11%

■ Brand & Response   ■ Brand   ■ Response

n=112 retail campaigns

This recent shift towards brand building is symptomatic of the current economic climate, where a combination of Covid recovery and the cost-of-living crisis have squeezed household budgets and encouraged marketers to assess other routes for generating marketing effects. Direct response activity specifically works by activating pre-existing demand—helping those consumers who are in market to fulfil their purchases as seamlessly as possible. Brand building, on the other hand, stimulates future demand. It raises the likelihood that a retailer will be thought about in a purchase situation or even additionally creates an emotional link between a consumer and a brand.

As the chart below demonstrates, retailers have managed to maintain short-term response campaign effectiveness between 2017-2020 and 2021-2022 even while consumer wallets are more stretched than ever (in comparison, the all-sector average reports a downward trend across the same time period). As reported in the DMA's "How to Win Back Customers and (re) Build Loyalty" report, the use of price promotions and discounts is at a record five year high. However, while discounting has proven itself a highly effective tool for generating short-term sales, it is a double-edged sword: consumers now have a heightened expectation that special offers will always be available, resulting in increasing levels of price sensitivity and in turn raising levels of brand promiscuity. Switching between brands is happening at a rapid pace, with retailers losing customers for no other reason than price.

In the same report, the DMA has highlighted the need for brands to have a cost-of-living crisis exit strategy in place, whereby they should look to combine discounting activity with a focus on customer experience and brand building. This type of activity creates deeper relationships between brands and consumers, reduces price sensitivity, and in turn raises the levels of loyalty that are falling by the wayside when consumer spending power is limited. It is for this reason that retailers are now combining response activity with a more healthy blend of brand marketing.

**Retail Pure Response Campaign Effectiveness (average number of effects)**
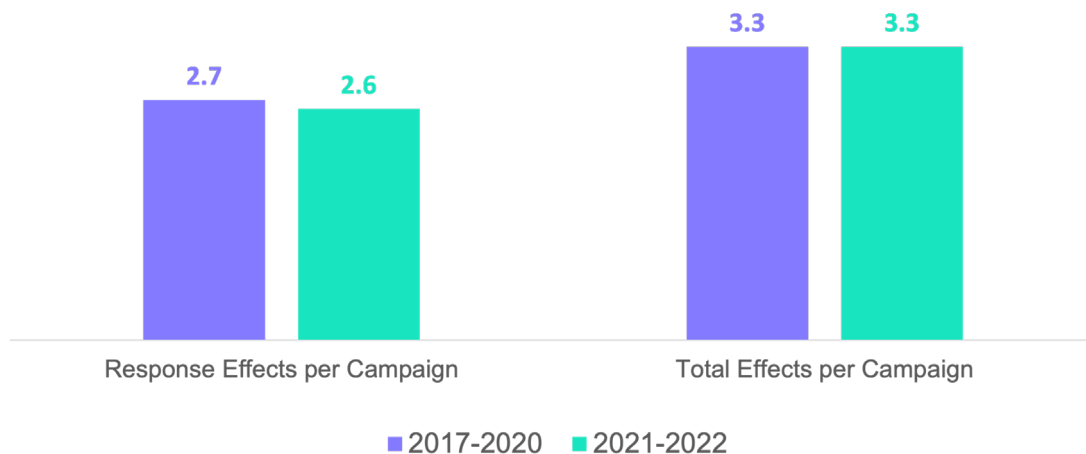
n=112 retail campaigns

The increased focus on brand building is evident when observing changes in brand campaign effectiveness over time in the chart below. When comparing a pre-Covid time period with a post-Covid time period, the number of brand effects generated has increased. The marginal decline in the total number of effects per brand campaign is somewhat skewed by the overall poor performance noted in 2021, with a much stronger performance seen in 2022 (see previous chapter). The nature of brand building dictates that it is more about driving long-term demand than activating immediate sales, so if this branding focus is maintained, overall effectiveness should improve over time.

The brand effects most commonly recorded in 2022 related to range of metrics that sit throughout a typical branding funnel: brand awareness, ad recall, brand consideration, brand favourability, and the net promoter score (NPS). FMCG brands that obviously rely on the retail channel to reach their customers provide best practice examples of how to successfully build brands. Recent DMA award winners such as Unilever for Dove and Sure, and Mondelez for Oreo, are examples of how brands have created emotional connections with consumers to stay top of mind while shifting the dial on how people think and feel about their products.

Retail Brand and Dual Brand/Response Campaign Effectiveness (average number of effects)
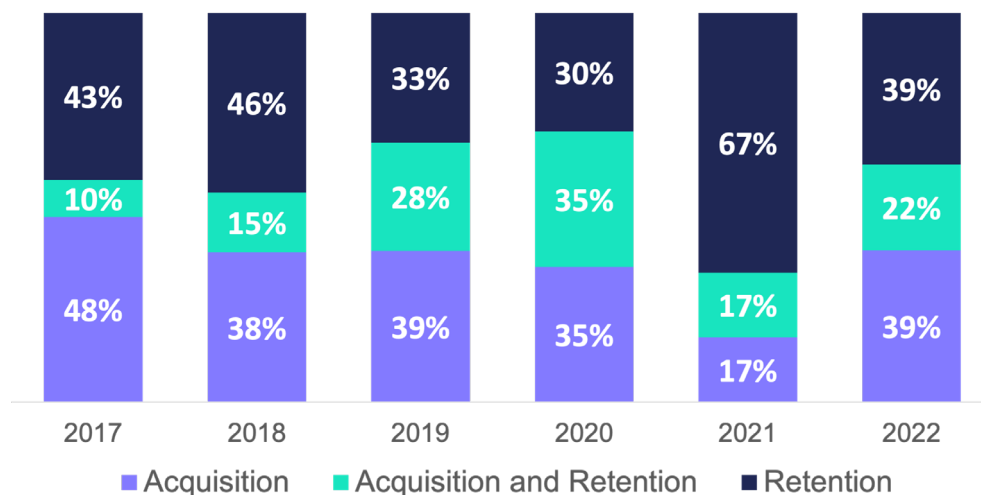

Brand Effects per Campaign | Total Effects per Campaign

0.7 · 0.9 · 3.3 · 3.0

■ 2017-2020 ■ 2021-2022
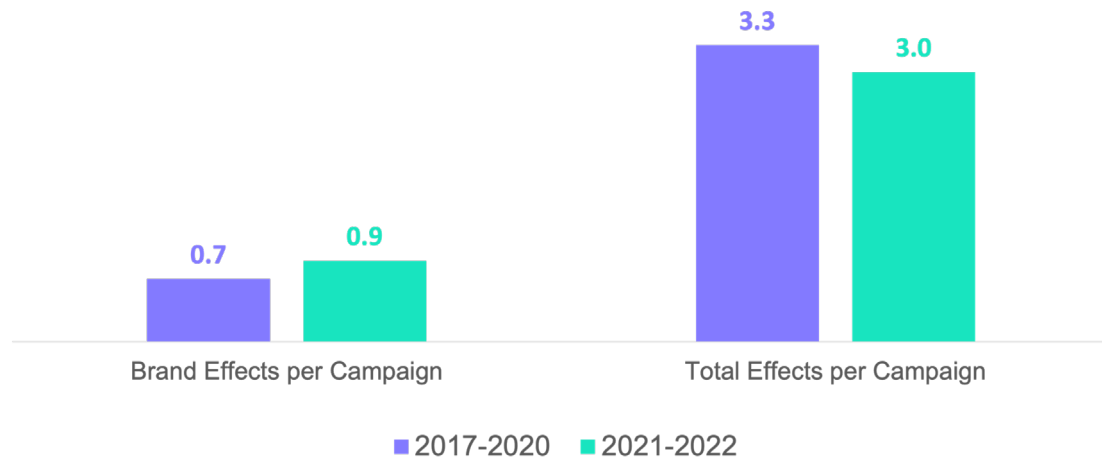
n=112 retail campaigns

Retention vs Acquisition

At first glance, it is hard to get a handle on a consistent trend on the focus between retention and acquisition campaigns in retail marketing. However what is clear is that after a huge swing towards pure retention activity in 2021, a more balanced approach was returned to in 2022, with an even split between acquisition and retention activity (39% focused on retention, 39% focused on acquisition, and 22% focused on both).

Retail Campaign Targeting Profile (% of campaigns)

	2017	2018	2019	2020	2021	2022
Retention	43%	46%	33%	30%	67%	39%
Acquisition and Retention	10%	15%	28%	35%	17%	22%
Acquisition	48%	38%	39%	35%	17%	39%

■ Acquisition ■ Acquisition and Retention ■ Retention
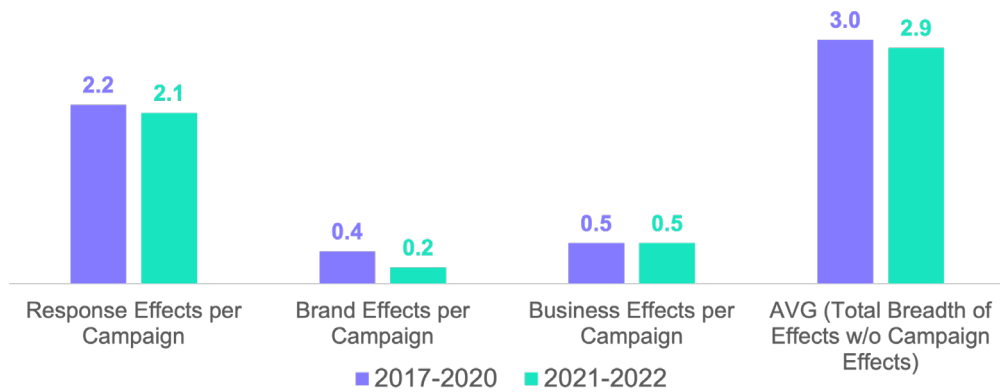
n=112 retail campaigns

While the cross-industry decline in brand loyalty is well documented in the DMA's "How to Win Back Customers and (re)Build Loyalty" report, no business grows without acquiring new customers, and it is telling that 2021 resulted in such a decline in effectiveness while so little effort was being put into growing the customer base. With a return to a more balanced approach in 2022, business impact and overall effectiveness has recovered as a result.

When comparing the pre and mid-Covid period of 2017-2020 to the post-Covid period of 2021-2022, year-on-year trends are somewhat masked by the effectiveness declines of 2021.
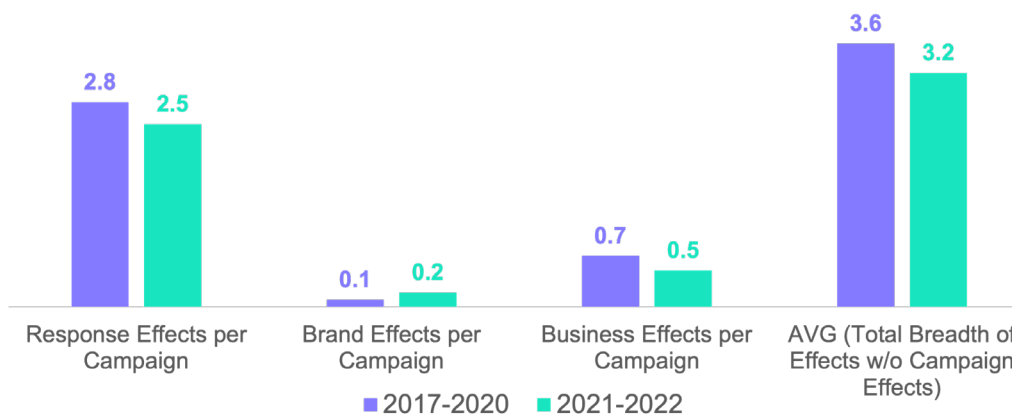
However, what is clear from observing the effectiveness of acquisition and retention campaigns below is that the decline in overall effectiveness for response and business effectiveness was lower for acquisition than retention campaigns.

Retail Acquisition Campaign Effectiveness (Average number of effects)

	2017-2020	2021-2022
Response Effects per Campaign	2.2	2.1
Brand Effects per Campaign	0.4	0.2
Business Effects per Campaign	0.5	0.5
AVG (Total Breadth of Effects w/o Campaign Effects)	3.0	2.9

n=112 retail campaigns

Retail Retention Campaign Effectiveness (Average number of effects)

	2017-2020	2021-2022
Response Effects per Campaign	2.8	2.5
Brand Effects per Campaign	0.1	0.2
Business Effects per Campaign	0.7	0.5
AVG (Total Breadth of Effects w/o Campaign Effects)	3.6	3.2

n=112 retail campaigns

Brand effects did double for retention campaigns in this time period however—a likely reflection of the increased connection that consumers felt with brands once their loyalty had been rewarded by whatever mechanism was appropriate. DMA Award-winning work from Ikea (Loyalty Starts from the Inside) and Halfords (Halfords Motoring Club) are both good data-driven examples of how to reward loyalty and grow deeper emotional engagement with customers.

Key Implications

1. While the majority of retail campaigns have a short-term direct response objective, there has been a growing shift towards brand-building activity among retailers, with a third of campaigns having a pure brand objective in 2022. Short-term response has been driven by heavy discounting and promotional activity during the cost-of-living crisis. The resulting increase in consumer price sensitivity will have a long-term impact on profitability. Brand-building activity is a key tool in reducing price sensitivity and increasing levels of customer loyalty.

2. Marketers in the retail space may recognise the need to focus on more brand-building activity in the long run, but they have still proven themselves adept at generating short-term response effects during the cost-of-living crisis. Response effects remained virtually flat between the 2017-2020 and 2021-2022 time periods–at a time when most other sectors have experienced decline. With retail being the key channel for delivering non-discretionary household necessities, it is clear that demand has been well activated during challenging economic times.

3. Retail marketers have also struck a healthy balance between retention and acquisition activity in 2022, with 39% of campaign targeting existing customer, 39% new prospects, and 22% targeting both. Embracing a marketing strategy of "bothism" across brand and response, retention and acquisition has clearly paid dividends for retailers in 2022.

/ 3. How does media selection influence retail campaign effectiveness?

The final–and crucial–campaign planning lever that the DMA Effectiveness Databank shines a light on in terms of retail campaign effectiveness is that of media channel selection. In the world of brand and response, the criteria used to select and evaluate different media varies greatly. Brand campaign planning will involve an evaluation of audience reach, frequency, context and attention; while response campaign planning will involve an assessment of spend efficiency (for example, cost-per-acquisition) and directly attributable revenue-related impact. Either way, understanding effectiveness by channel is an important planning consideration for retail marketers.

Does Multi-Channel Really Matter?

53% of the campaigns covered in the DMA's Effectiveness Databank are multi-channel campaigns, with this figure falling to 47% for retail campaigns. Many of the response campaigns measured in the databank tend to be single channel by nature–relying on digital display, email or advertising mail to achieve very specific short-term campaign objectives. With 70% of retail campaigns having some sort of response objective, this does explain the slightly higher tendency towards a single channel approach.

Number of Channels Employed by Retail Campaigns
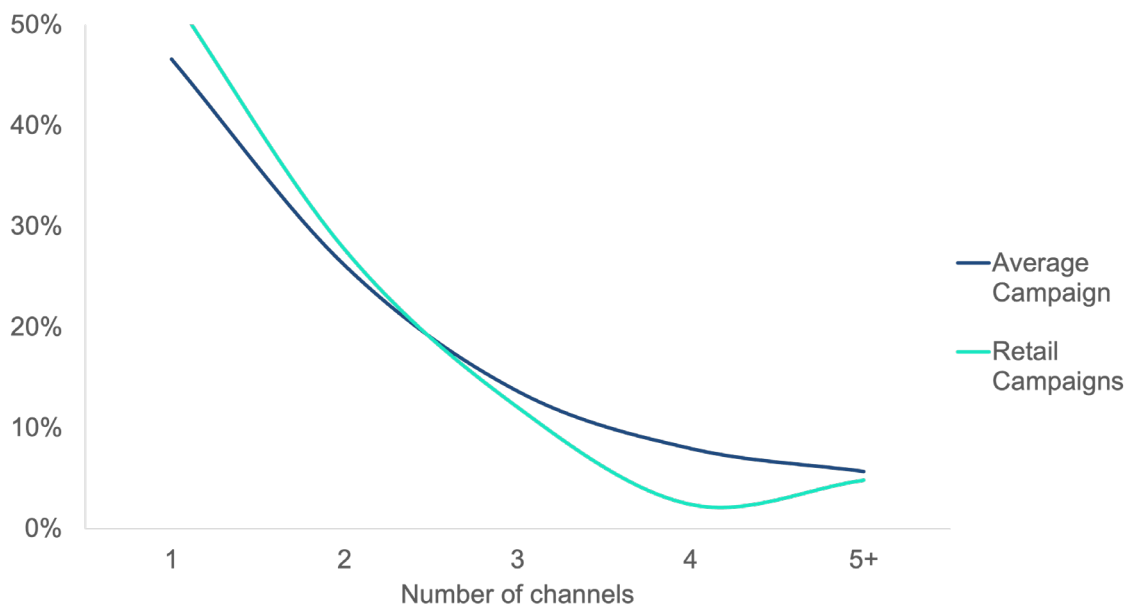
n=1,261 campaigns of which n=112 retail campaigns

While retail marketing has enjoyed one of its most successful years in effectiveness in 2022, the effectiveness multiplier of a multi-channel strategy should not be ignored going forward. As the chart below demonstrates, while the use of three or more channels makes little difference to response effectiveness, it does make a considerable difference to generating brand and business outcomes for retail advertisers. Campaigns running on 3+ channels generate double the number of brand and business effects vs those running on 1-2 channels. Brand building often goes hand in hand with a fully integrated campaign strategy—carefully harnessing the context and attention of different channels to incrementally shift the dial on key metrics. As retail marketers look to maintain the balance struck between response and brand building seen in 2022, a multi-channel strategy is a key planning consideration.

Retail Campaign Effectiveness by Number of Channels (Average number of effects)
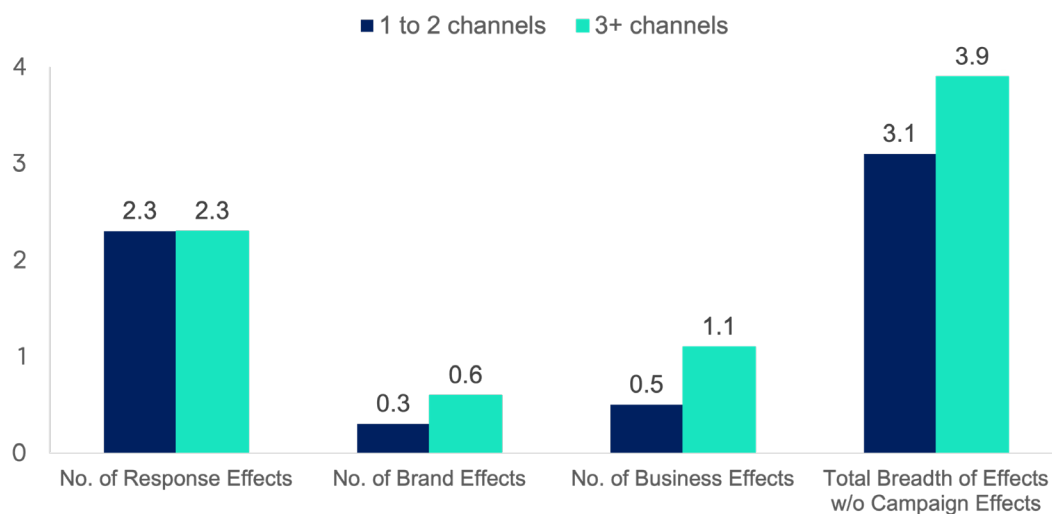
n=112 retail campaigns

Channel Selection and Effectiveness

The most effective campaigns at driving response effects for retail advertisers tend to include ad mail, radio and audio, or email. Campaigns including some form of ad mail (i.e., direct mail or door drops) generate 3.2 response effects on average, radio and audio 3.0 effects, and email 2.6 effects.

Each of these top three channels has its own strengths in the media mix. The highly targetable nature of ad mail to communicate in a privacy-compliant way in an age when digital ad targeting is coming under more scrutiny than ever naturally lends itself to selection on retail media plans. Radio and audio allows for specific time-of-day planning, often in a highly cost-efficient manner. Price promotions and discounts offered by retailers on the acquisition trail while consumers are in-home or on the daily commute can be highly-effective response drivers. Email, on the other hand, has been used to great effect by retailers looking to reward existing customers—offering key promotions to help consumers through the cost-of-living crisis.

Average Number of Response Effects Generated by Retail Campaigns Including the Following Media

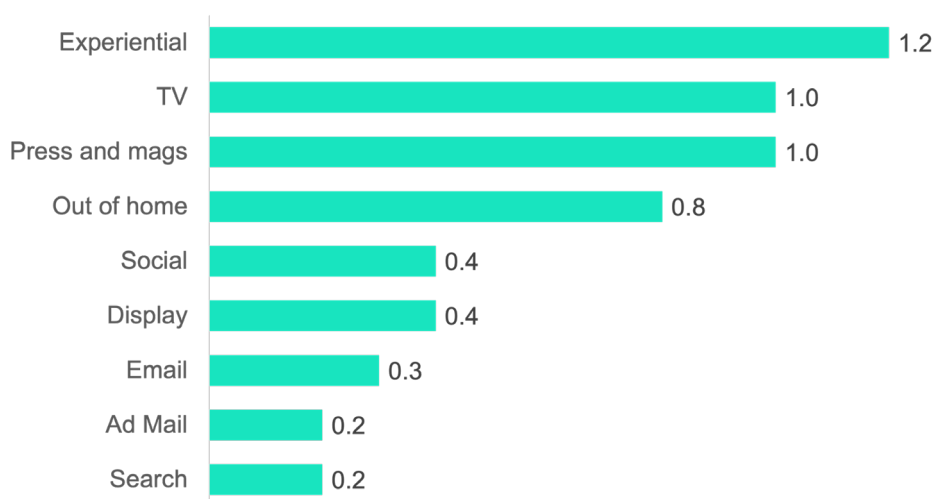| Channel	Value
Ad Mail	3.2
Radio and audio	3.0
Email	2.6
Press and mags	2.3
Display	2.3
Out of home	2.1
Social	2.1
TV	2
Search	1.5
Experiential	0.6
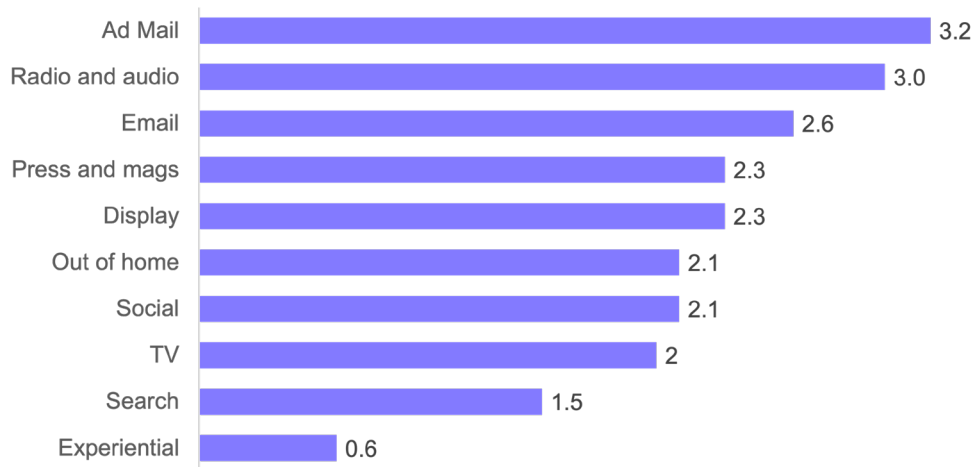
n=112 retail campaigns

When looking at the channels that are optimum for driving retail brand effects such as awareness, brand consideration and NPS, a different set of channels come to the fore: Experiential, TV, Press and Magazines and Out-of-Home. The natural synergies between real-life experiential events and the tactile nature of a retail experience are clear to see. Special promotional events, customer-specific events, and sponsorship of broader consumer real-life experiences are all key methods of engaging with new prospects and existing customers alike.

While experiential events tend to be high on consumer engagement but lower on reach, TV offers retailers a key brand-building platform, with many of the UK's household retail brand names a mainstay on commercial TV spots for years. Print and magazines offer high quality, high attention editorial environments with which to engage consumers with brand messaging, while having the added bonus of potentially delivering vouchers and discounts too.

Average Number of Brand Effects Generated by Retail Campaigns Including the Following Media

Channel	Value
Experiential	1.2
TV	1.0
Press and mags	1.0
Out of home	0.8
Social	0.4
Display	0.4
Email	0.3
Ad Mail	0.2
Search	0.2

n=112 retail campaigns

The chart below provides a perspective on which media channels are above average performers at driving response and brand effects together, with those channels that appear in the top right quadrant the top-performing media on both counts. TV and Out-of-Home are strong brand channels while Email, Ad Mail, and Radio and Audio are key response channels. Press and Magazines and Digital Display however, are key all-rounder channels. While the role of press and magazines has been discussed, digital display can deliver key brand messaging through rich media and video creative, while achieving direct response goals through PPC and other pay-per-response models.

Retail Response Effects vs Brand Effects by Media Channel
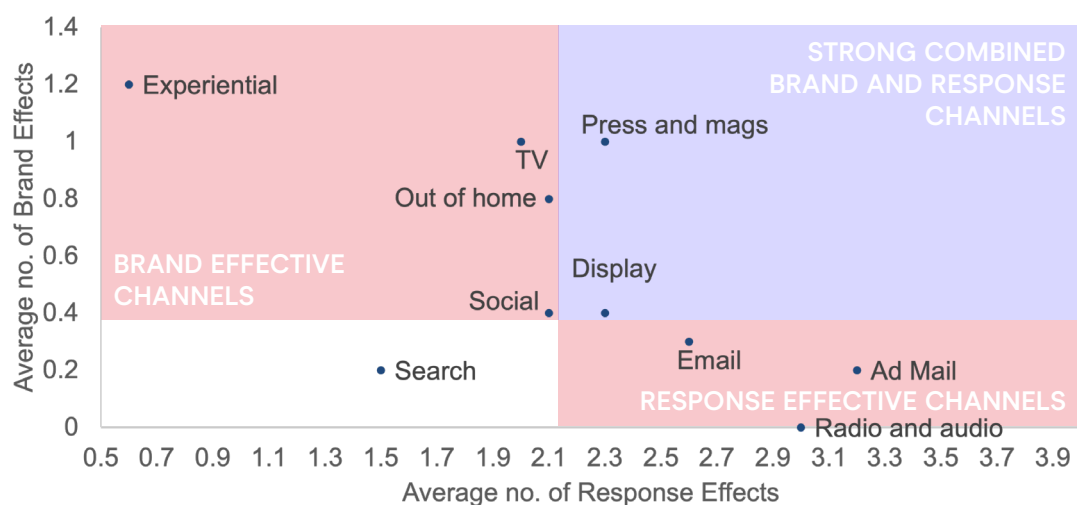
n=112 retail campaigns

Key Implications

1. Harnessing the power of an integrated media strategy will help drive further improvements in retail brand effectiveness going forward. Three or more channels are optimum for delivering higher numbers of brand and business effects. With retailers placing a growing focus on brand building in order to arrest a decline in loyalty, an increased focus on integrated planning is essential for retail marketers.

2. Experiential, TV, Out-of-Home and Press and Magazines are key channels to consider on retail brand campaign media plans. Each brings a unique set of contextual environments through which to target consumers by location and time of day.

3. Ad Mail (Direct Mail and Door Drops), Email, and Radio and Audio are key direct response channels for retail marketers. Door Drops and Radio and Audio tend to be key acquisition channels for attracting new customers. Direct Mail and Email tend to be deployed to retain existing customers through loyalty-based rewards.

/ 4. Harnessing data, creativity and technology for retail marketing effectiveness

The DMA strongly supports the notion that the confluence of data, creativity and technology are the route to marketing effectiveness. The contemporary retail marketing team must deploy a diverse skill set to create more meaningful campaign creative, and more efficient and effective targeting, all through the most appropriate martech stack tailored to their specific needs.

Data-driven retail loyalty campaigns

Customer data sits at the heart of retail loyalty programs. Isolating the impact of fifteen loyalty program campaigns reveals a significant impact on direct response effects. The use of price promotions and discounts during the cost-of-living crisis has already been referenced in this report, and the impact of rewarding existing customers with special offers in order to drive short-term outcomes for retailers, such as sales uplift, store footfall and online traffic, are clear to see from the chart below.

The DMA Bronze Award winner Halfords has even used a loyalty-based program to drive acquisitions, recording a 25% growth in new customers along with an increase in NPS, open rate and frequency of purchase growth.

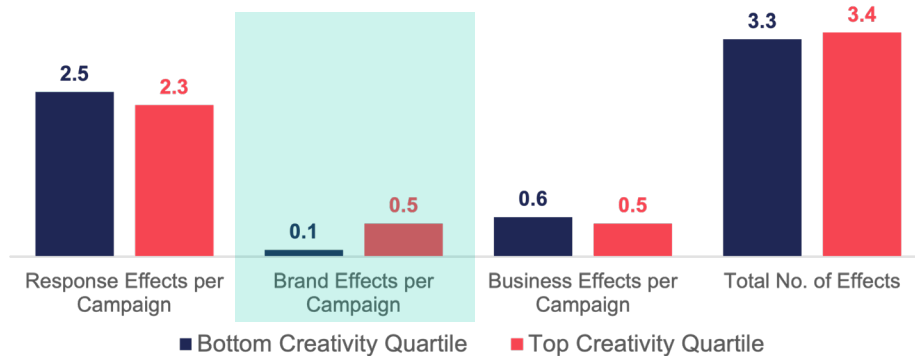**Retail Campaign Effectiveness for Campaigns Including a Loyalty Program**
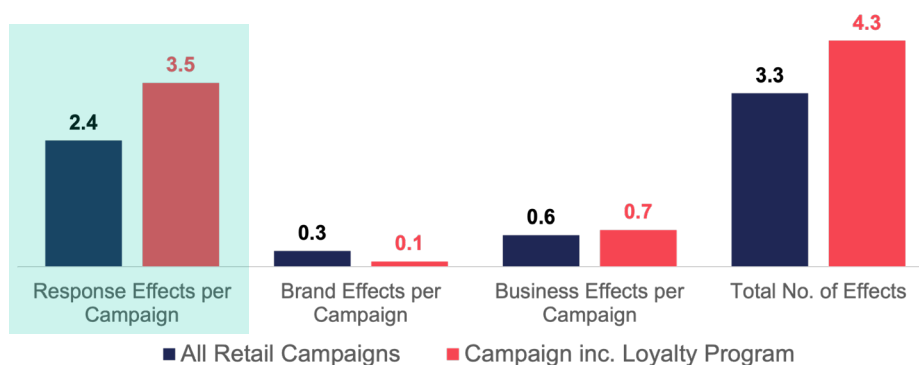
n=15 retail campaigns

The role of creativity

The role of creativity in retail marketing effectiveness is more apparent in the brand-building space than with direct response / performance marketing campaigns. When assessing the top 25% of retail campaigns based on Award judges' rating of their creativity, there is a clear brand multiplier at play. Highly creative retail campaigns tend to drive five times the number of brand effects vs the bottom 25%. Creativity matters when it comes to building emotional engagement between consumers and brands, and will be vital in helping retailers plot their cost-of-living crisis exit strategy as they look to win back customer and rebuild loyalty.

Retail Campaign Effectiveness by Creativity Score

n=112 retail campaigns

Technology and retail marketing effectiveness

A proxy for retail campaigns using emerging technology to achieve campaign outcomes has been created by looking at nine campaigns that use either AI, personalisation, advanced TV (e.g. addressable or DRTV), or advanced CRM analytics. Although the sample size is small, there has been a clear use of technology to drive direct response effects. The lower than average business effects recorded might be a cause for concern among retail marketers – however, while many of these effects relate to longer-term outcomes, it is likely that the full picture of effectiveness beyond the short term has yet to be realised.

The marketing discipline currently faces profound boardroom challenges, with budgets under pressure and the marketing department invariably regarded as a cost centre. Technology infrastructure, on the other hand, is invariably regarded as an investment rather than a cost. Marketers looking to defend and grow their budgets in challenging times should look to amplify the role of tech-driven campaigns in the boardroom, particularly their ability to drive more response effects in challenging times.

Retail Campaign Effectiveness for Tech Driven Campaigns
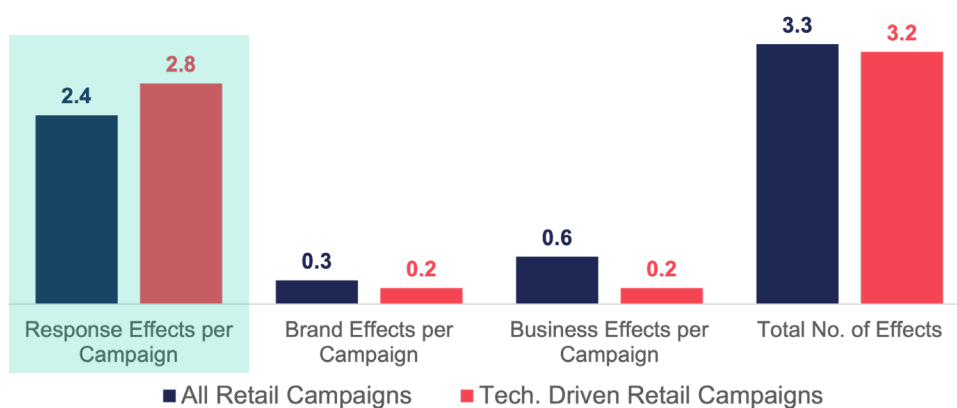
n=9 retail campaigns using AI, personalisation, advanced TV, or advanced CRM analytics

Key Implications

1. Retail campaigns that harness the power of customer data through loyalty programs are highly effective at generating response effects: 3.5 on average vs 2.4 for all retail campaigns. Loyalty programs are vital for customer retention at a time when consumers are more price-sensitive and promiscuous than ever.

2. Highly creative retail campaigns tend be top brand-builders. Harnessing the power of creativity enables retail marketers to generate five times the number of brand effects vs low creativity campaigns. Brand building is vital for reducing consumer price sensitivity.

3. Retail campaigns using future-facing technology such AI or advanced CRM analytics are strong drivers of response effects. Drawing a line between marketing and technology is key if marketing is to reposition itself away from being a cost centre to that of a business-critical investment.

/ Methodology

Over a thousand entries to the DMA Awards have been condensed into a database of 1,261 unique marketing campaigns. Some data is derived from the self-declared information provided in the award entries themselves, while additional tags have been created to add further depth to the databank.

Pre-existing campaign information:

- Entry year
- Agency name
- Client name
- Award categories
- Judges scores
- Campaign duration
- ROI (for 247 campaigns only)
- Campaign budget (for 178 campaigns only)
- Open text fields related to the campaign brief, strategy, solution, creative thinking, results and supporting data.

Additional campaign information added during databank build:

- Agency type
- Advertiser category
- Advertiser size
- Industry sector
- Launch or established product/service campaign
- Retention of acquisition objective (or both combined)
- Brand or response objective (or both combined)
- B2B or B2C
- Media channels used
- Type of campaign effect (see further detail below)
- Average number of effects (see further detail below)

Complete list of effectiveness measures identified
Campaign Delivery Measures:

- Ad Block Rates
- Brand Safety
- Buzz Score
- Call centre volume
- Campaign Reach
- Clicks
- CPC
- CPC reduction
- CPE
- CPM
- CPV
- CRM Rev contribution
- CTO
- CTO growth
- CTR
- CTR growth
- Digital Contribution
- Digital Impressions
- Digital Traffic/Views
- Digital Traffic/Views Growth
- DM CPC
- Domain Authority Dwell Time
- Dwell time growth
- Earned Media/PR Impressions

- Earned Media Mentions
- Earned Media Value
- Email CTR
- Email Open Rate
- Email Open Rate Growth
- Email Volume
- Engagement Increase
- Engagement Rate
- Engagements
- Frequency
- Interest Lift
- Live Event Traffic
- Mail open rate
- Mail Volumes
- OOH Impressions
- Opt-in rates
- Opt-out rate
- Organic Social Impressions
- Organic Social Reach
- People trained
- Press Impressions
- Production Costs

- Radio /Audio Impressions/Reach
- Reach Growth
- Referrals
- RPE
- Sales team growth
- Search Growth
- Searches
- SEO Ranking
- Site traffic retention
- Social Engagements
- Social Reach/Impressions
- Social Reach Growth
- SOV
- Spend Efficiencies
- Target Audience Reach
- Total Impressions
- TV Impacts
- Video View/Plays
- View Through Rate
- Viewability
- VOD Impacts
- Webinar views

Response Measures:

- Account logins/updates
- ARPU
- ARPU increase
- ATV
- Average Order Value
- Average Order Value Increase
- Bookings Growth
- Brochure Request Growth
- Churn Reduction
- Complaint/Claims Reduction
- Complaint reduction
- Conversion Rate
- Conversion rate growth
- CPA/Cost Per Lead/Cost of Sale
- CPA Reduction
- Customer/New Customer Growth
- Customer Reactivation rate
- DM AOV
- DM Revenue Contribution

- DM ROAS
- Door Drop Revenue Contribution
- Download growth
- Downloads
- Email ROAS
- Enquiries
- Enquiries/Leads Growth Footfall
- Footfall Frequency
- Footfall Increase
- Frequency of purchase
- Lead/Sales Conversion
- Leads
- Leads/Pipeline value
- Leads contribution growth
- Mail Response Growth
- Mail response rate
- New Customer Acquisitions
- New Customer contributions
- Online Sales Increase

- PPC ROAS
- Referral increase
- Response per GRP
- Response Rate
- Response Rate Growth
- Responses
- Retention Rate
- Retention Rate Increase
- Revenue generated
- Revenue Increase
- Revenue per page

- ROAS
- ROAS Growth
- Sell out rate
- Shopper base
- Sign-up/member growth
- Sign-ups/uses/members
- Transactions per email
- Unit sales
- Unit sales growth
- Voucher/reward redemption rate

Brand Measures:

- Ad Recall
- Behaviour Change
- Brand Awareness
- Brand Familiarity
- Brand Favourability
- Brand Health
- Brand Interest
- Brand Perceptions
- Brand Persuasion/Consideration
- Brand Relevance
- Brand Trust

- Cost per brand lift
- Creative Interest/Understanding
- Creative pre-test results
- Customer Satisfaction
- Message Recall
- NPS
- NPS Growth
- Positive Sentiment
- Purchase Intent
- Recommendation Likelihood
- Word of Mouth

Business Measures:

- Average Lifetime Value
- Brand Value
- Brand Value Growth
- Customer Penetration
- EBIT
- EBITDA
- Long-term Customer Retention/Loyalty
- Long-term Revenue

- LTV Growth
- Market position
- Market Share Growth
- Policy Change
- Profit
- Profitability Growth
- ROI
- Shareholder value growth

/ About the DMA

The Data & Marketing Association (DMA) comprises the DMA, Institute of Data & Marketing (IDM) and DMA Talent.

We seek to guide and inspire industry leaders; to advance careers; and to nurture the next generation of aspiring marketers.

We champion the way things should done, through a rich fusion of technology, diverse talent, creativity, insight – underpinned by our customer-focused principles.

We set the standards marketers must meet in order to thrive, representing over 1,000 members drawn from the UK's data and marketing landscape.

By working responsibly, sustainably and creatively, together we will drive the data and marketing industry forward to meet the needs of people today and tomorrow.

www.dma.org.uk

/ About Sagacity

Sagacity is an award-winning data and insight company offering a suite of data; data quality and engagement solutions.

We believe that to genuinely engage your customers, communication needs to be timely, relevant and permissioned. Every day we use our unrivalled data products, insight and expertise to help our clients get closer to their customers.

Synonymous with data quality, Sagacity's market-leading data cleaning solution is the most comprehensive, accurate and trusted in the UK. We hold over 50 million records and hundreds of selectable variables.

We also deliver actionable insight and reporting, build single customer and prospect views, and offer a range of bespoke data and consultative services.

www.sagacitysolutions.co.uk

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