



INTRO TO

**EMPIRICAL
MARKETING**

It took an **epic quest** to deliver this deck

Toiling to help marketing leaders inspire confidence in their c-suites, we set out on a quest for knowledge from the best strategy minds in the world. All roads led us to two books: “How Brands Grow” and “The Long and the Short of It”—the canonical texts of marketing effectiveness aka empirical marketing.

Finally we have boardroom-worthy data to prove what we’ve always known:

- Brands are capital investments; they fuel long-term growth and pay dividends for years, even decades.
- Great creative returns every penny and then some.
- While digital and social media offer unparalleled targeting & measuring, mass media & PR remain incredibly effective at establishing brands and penetrating new audiences.

We’ve also had to rethink many notions that we’ve held sacred along with many others in our profession.

If you want to build the case for investing in great strategy, creative and media, this deck will introduce you to the latest evidence & insights from the industry’s leading researchers.

We are merely standing on the shoulders of giants with a bullhorn.



“Half of all advertising is dull, ineffective and **a waste of money**”

Let's be honest: a lot of marketing has no empirical or “scientific” basis.

It's inherited wisdom, gut instinct — or purely anecdotal. TED Talked by marketing “gurus.” Passed down from sage mentors. Even hard-earned wisdom from trial & error is based on relatively small data sets.

Of course it still works... sometimes.

Despite all our tools, technology and wisdom, an estimated half of all marketing dollars still go to waste in 2024.

We can do better than this. We owe it to ourselves, our clients, and our “target audiences.”

Thankfully, marketing scientists (yeah, they actually exist) and researchers have been working hard to solve this problem for decades. Even better, they're publishing new marketing effectiveness findings every day.

Empirical marketing is driven by these principles—the way markets really function and the way people really make decisions.

It all started with a breakthrough in neuroscience more than 50 years ago...



To err is human

Scientists first believed human beings make rational decisions by carefully weighing the probable costs and benefits of choices from “should I marry this person” to “which brand of peanut butter should I buy?”

The marketing funnel was built on this premise: awareness leads to interest which drives desire and ultimately action. A logical path.

Two Israeli scientists, Daniel Kahneman and Amos Tversky, flipped this model on its head in the 1970s when they pioneered research on heuristics: the process by which humans use mental shortcuts to arrive at decisions.

They discovered that humans rely on two systems to make decisions:

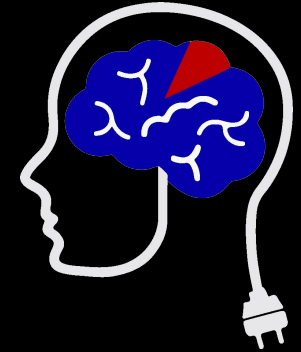
System 1 thinking is a near-instantaneous process; it happens automatically, intuitively, and with little effort. It's driven by instinct and experiences.

System 2 thinking is slower and requires more effort. It is conscious and logical.

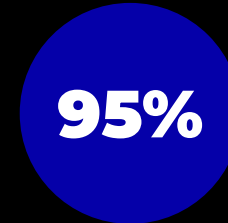
Here's the rub: even when we think that we are being rational in our decisions, our system 1 beliefs and biases still drive 95% of our choices.

So as marketers we must aim 95% of our efforts at building convenient mental shortcuts that appeal to the fast-thinking, instinctual brains.

Read marketers' tributes to Daniel Kahneman, who died in March 2024, [here](#).



System 1
Intuition & instinct



Unconscious
Fast
Associative
Automatic Pilot

System 2
Rational thinking



Takes effort
Slow
Logical
Lazy
Indecisive

Convenience drives our prime metric: **Market Share**

Revenue, sales and leads all force absolute metrics on a relative measure: how much of the category are we capturing?

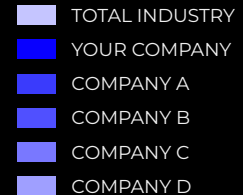
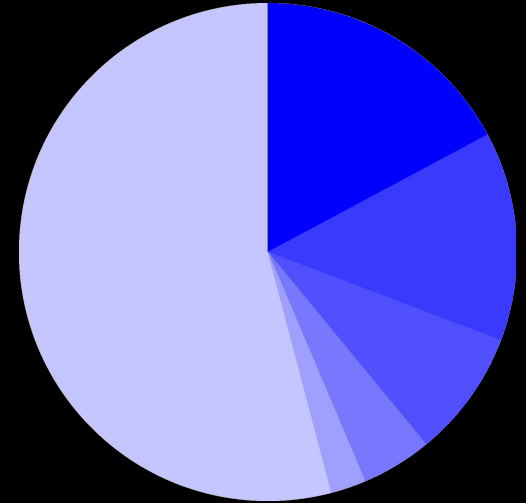
Most categories outside of consumer packaged goods are influenced by macro-economic forces over which marketers possess no control: inflation, interest rates, pandemics.

Absolute metrics also encourage short-term planning and expectations when, in reality, influencing system 1 thinking is a long-term endeavor. Brands are built over time and have the power to endure massive market shifts; Microsoft remains one of the most valuable companies in the world despite the decline of “software” because its leaders built a brand & culture on “innovation.”

Of course, metrics like revenue, sales and leads ultimately build market share and help measure the efficacy of teams, channels and campaigns. So we’re not throwing them out, but rather putting them in perspective as leaders with long-term vision.

MARKET SHARE

The percentage of your company's total revenue compared to the industry's total revenue



Convenience is measurable via **mental & physical availability**

System 1 seeks the most convenient path—what relevant info is most readily available to inform a decision.

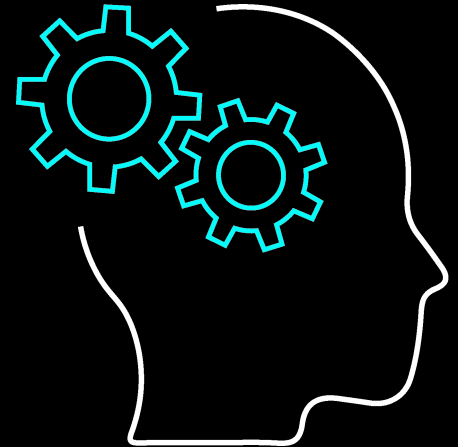
We measure the strength of a brand's system 1 convenience in two categories: mental and physical availability.

Mental availability: the probability of the brand coming to mind in a relevant buying situation.

Physical availability: the probability of the brand being easy to acquire/purchase in a relevant buying situation.

Coca-Cola reigns supreme in both mental and physical availability in several lucrative buying situations including “a refreshing beverage on a hot summer day” and “a drink to compliment french fries” thanks to its ubiquitous advertising and purchasability.

Unlike brand awareness—the mere knowledge of a brand's existence—mental availability growth is an empirical predictor of market share growth.



“The most important search engine is still the one in our minds.”

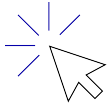
Recognizable brands, buying occasions + memorable creative **drive mental availability**

Mental availability is built over time by understanding and leveraging three key building blocks:



Distinctive Brand Assets.

Anything other than a name that triggers a specific brand in a category buyer's memory.



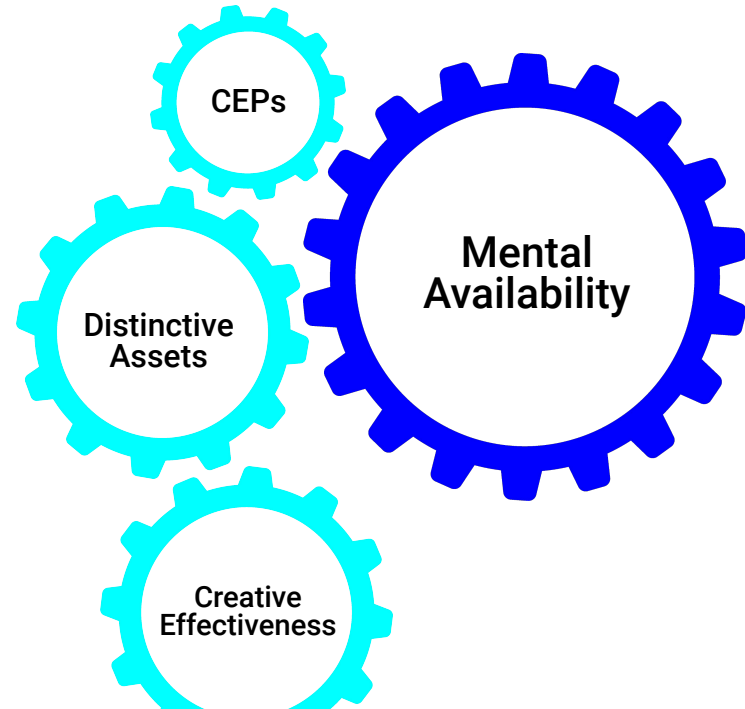
Category Entry Points.

All the reasons, triggers, or occasions when someone considers buying a product in a category.



Effective Creative.

Activations that are more noticeable, memorable and persuasive.



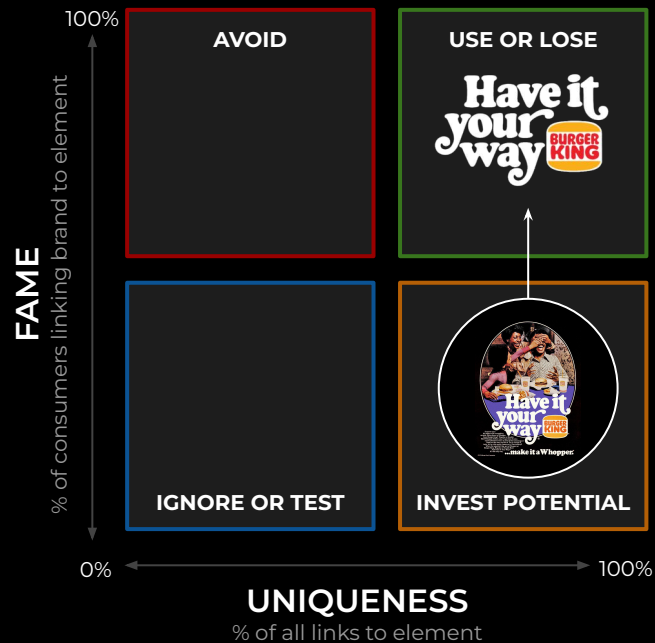
Distinctive Brand Assets

Distinctive Brand Assets (DBAs) are unique, ownable brand cues that help build mental shortcuts—including colors, logos, fonts, shapes and other graphic elements, packaging, slogans and taglines, history, mascots, jingles and other sonic cues.

Think “McDonald’s.” What did you see in your mind—the golden arches? A Big Mac? What did you hear—“I’m loving it”? Those are distinctive brand assets McDonald’s has made famous because they’re unique and the company has invested in them heavily and consistently over time.

Which distinctive brand assets are worthy of investment? Map them using the matrix on the right. If they’re both famous (widely recognized) and consistently linked to your brand by category buyers, use them consistently or lose them altogether. If they’re unique in your category but not widely recognized yet, consider investing in them to make them famous. Avoid, ignore or test assets that aren’t unique.

Burger King recently unearthed and refreshed its unique [“Have it your way” jingle](#), which had lost its fame because it wasn’t used since [the 70s version](#). Now it’s a distinctive brand asset for a whole new generation.



Category Entry Points

Category Entry Points (CEPs) are the cues that category buyers use to access their memories when faced with a buying situation and can include any internal cues (e.g., motives, emotions) and external cues (e.g., location, time of day) that affect any buying situation.

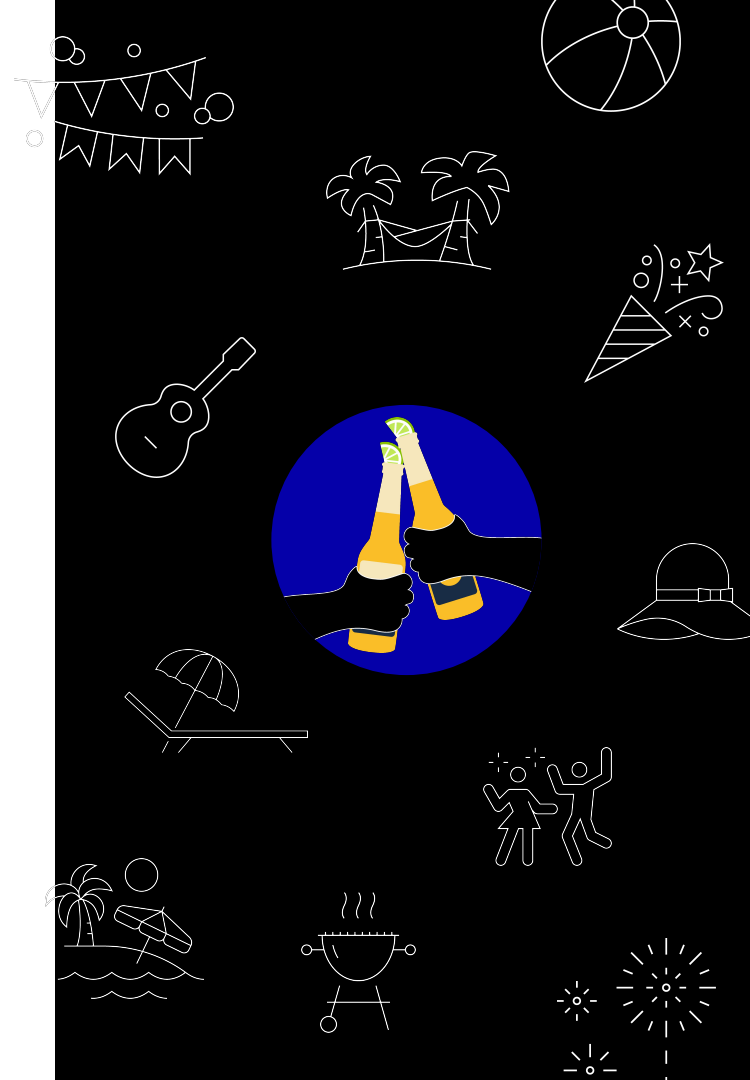
CEPs influence which brands are initially mentally available in decision-maker memory – and form the list of initial ‘go to’ options.

You want a beer on the beach. Which brand comes to mind? Most people say Corona — even if they don’t drink beer or don’t go to beaches — because Corona owns the CEP of “beer on a beach”; Corona has invested heavily and consistently in fortifying that mental shortcut.

Understanding CEPs helps you build useful associations between your brand and the category’s core buying situations. Therefore when a buyer enters the category, your brand has a greater chance of being mentally available, which is the first step to being bought.

Each Category Entry Point — and the more CEPs the better — is an opportunity for your brand to grow mental availability and market share.

To find them, you have to get to know your category buyers. How do real people actually use your brand? When do they use it? Why? Who are they with? With what other products? How does your brand actually solve their needs, wants and desires?



CEPs vs Personas

While personas — fictional profiles that represent groups of similar people in a target audience — can be helpful, they can also lead to hyper-targeted creative & media that omits major chunks of category buyers i.e. potential customers.

Nobody acts like a single persona all of the time. Even self-proclaimed fitness freaks have cheat days.

I bought an overpriced convertible when I was a bachelor, a truck when I was a more practical bachelor, and a hybrid SUV when my first child was on the way. I didn't change personas three times; I just encountered three distinct category entry points to vehicle purchasing:

- I want a fun vehicle that makes me feel cool & successful.
- I want a fun vehicle that gives me new travel & recreation opportunities like camping & bicycling.
- I want a fun vehicle that's safe & durable with lots of storage.

CEPs can help reach people on a more personal level, while delivering the right messages, offers, and products at the right time.

The 'W Framework' — pictured on the right — is an easy way to kick-off brainstorming CEPs for your category.

Framework for CEP Generation

Category Entry Points

WHY?

Why are they buying from the category?
e.g. because I need a pick me up

WHEN?

When are they buying from the category?
e.g. after work

WHERE?

Where are they buying from the category?
e.g. at the train station

WITH WHOM?

With whom are they buying from the category?
e.g. with someone special

WITH WHAT?

With what are they buying from the category?
e.g. with alcohol

The Business Case for Creativity

10 years ago, longtime agency strategist James Hurman set out to answer the question: “Is creative advertising worth the investment?” He gathered 15 independent studies (from the likes of McKinsey & Co) comparing the effectiveness of advertising, agencies and companies. The results were unequivocal:

1. Creatively awarded advertising is effective — and more effective than advertising in general.
2. Creatively awarded campaigns are 11x more efficient at generating a market share increase.
3. Less creative campaigns are less efficient and less predictable than creatively awarded ones.
4. Creatively awarded campaigns are more likely to achieve “very large business effects”: significant improvements in market share, penetration, profitability, etc.
5. Brands who won top advertising awards outperformed the S&P 500 8-to-1 on average during the years they were awarded.

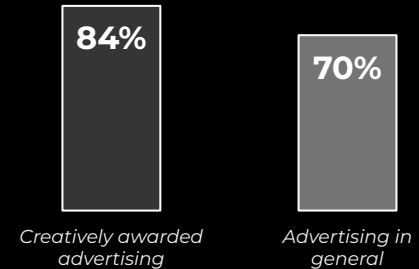
The conclusion: creative marketing is not the risky option; on the contrary, it's safer than samesy, features & benefits marketing.

So why does creative work so well?

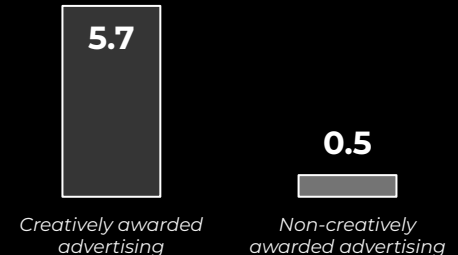


The human mind discounts the predictable.” Creative marketing defies expectations.

Percentage of advertising campaigns shown to produce a business result



Average points of market share growth per 10 points of excess share of voice



Source “[The Link Between Creative & Effectiveness](#)”

Why does creative work so well?

The research is conclusive: unexpected marketing is...

- More likely to stand out and be noticed. [See the study.](#)
- More likely to be remembered and recalled. [See the study.](#)
- More likely to generate 'fame' and conversation. [See the study.](#)
- More persuasive. [See the study.](#)
- More effective in making people think positively about companies. [See the study.](#)

THE 4 CREATIVE EFFECTIVENESS MEASURES

1

HOOK

Was the ad unexpected?

2

RECALL

Was the ad memorable?

3

BRAND

Was the brand obvious?

4

CLARITY

Was the message clear?

Putting it all together... and measuring it

Quick review:

Market share is the prime metric — the ultimate measurement for marketing leaders striving for predictable and sustainable long-term growth.

Mental & physical availability drive market share. As marketers, we focus on mental availability — the probability a brand will be remembered in a relevant buying situation.

Distinctive Brand Assets ensure brands are easily recognized and retrieved in these buying situations, which can be mapped using Category Entry Points — cues that trigger buyer memories and link them to relevant brands.

Creative marketing that's unexpected & memorable is the ultimate vehicle for ensuring brand assets are recognized and accessible via system 1 — the instinctual & emotional decision-making process that drives 95% of our choices.

If only there was a way to measure and monitor the impact of our marketing efforts...

INTRODUCING THE COGS of EMPIRICAL MARKETING

It's been hard to grasp how all marketing metrics work together... until now.

The Cogs of Empirical Marketing reveal how all the major marketing activities and metrics work together to drive mental & physical availability and ultimately market share.

The fast-moving **small cogs** cumulatively power the slow-moving **large cogs**.

Large, Slow-moving Cogs

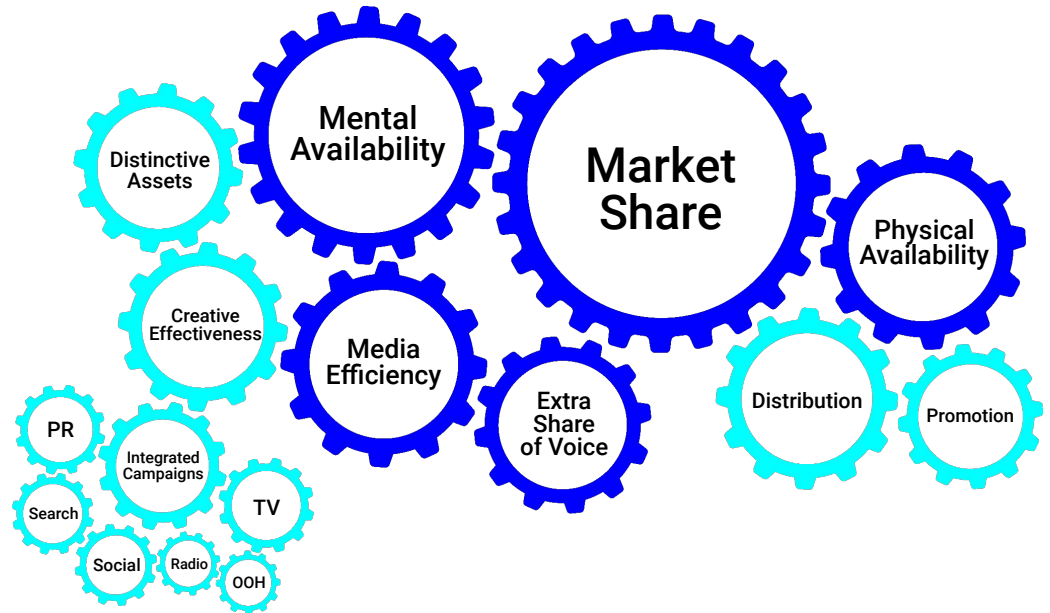
Cogs that take longer to get moving and show ROI, but are also harder to stop once they get moving.

Small, Fast-moving Cogs

Cogs that move quicker and show ROI faster: campaigns, promotions and tactics fall under this category.

Slow
Moving

Fast
Moving



All Cogs are Measurable with Metrics & Deliverable Reports

METRICS

Mental availability against crucial Category Entry Points (CEPs)

DELIVERABLES

CEP Mental Availability Benchmarks
Actionable Insights for expanding against CEPs

MARKET SHARE

This refers to the percentage of an industry's sales that a particular company controls. It's a measure of a company's relative size within its market.
 $(\text{Company Sales} / \text{Total Market Sales}) \times 100$

MARKET PENETRATION

Which we also consider, is the percentage of the potential market that has been captured using a company's product or service. It measures how much of the target market a company has reached.
 $(\text{Companies X's Customers} / \text{Total Potential Customers}) \times 100$

METRICS

Uniqueness
Fame

DELIVERABLES

Asset Diagnostic Report
Distinctive Assets Findings & Guidance

METRICS

Ad Associations
Ad Recall
Adclarity

DELIVERABLES

Creative Diagnostic Report
Creative Associations Findings
Ad Performance Scorecard

METRICS

Digital Metrics (CTR, etc.)
Traditional Metrics (Reach, etc.)

DELIVERABLES

Campaign Dependent

METRICS

% Channel coverage
% Overall market coverage
% Presence in new outlets
% Overall new outlets
% Share of Search

DELIVERABLES

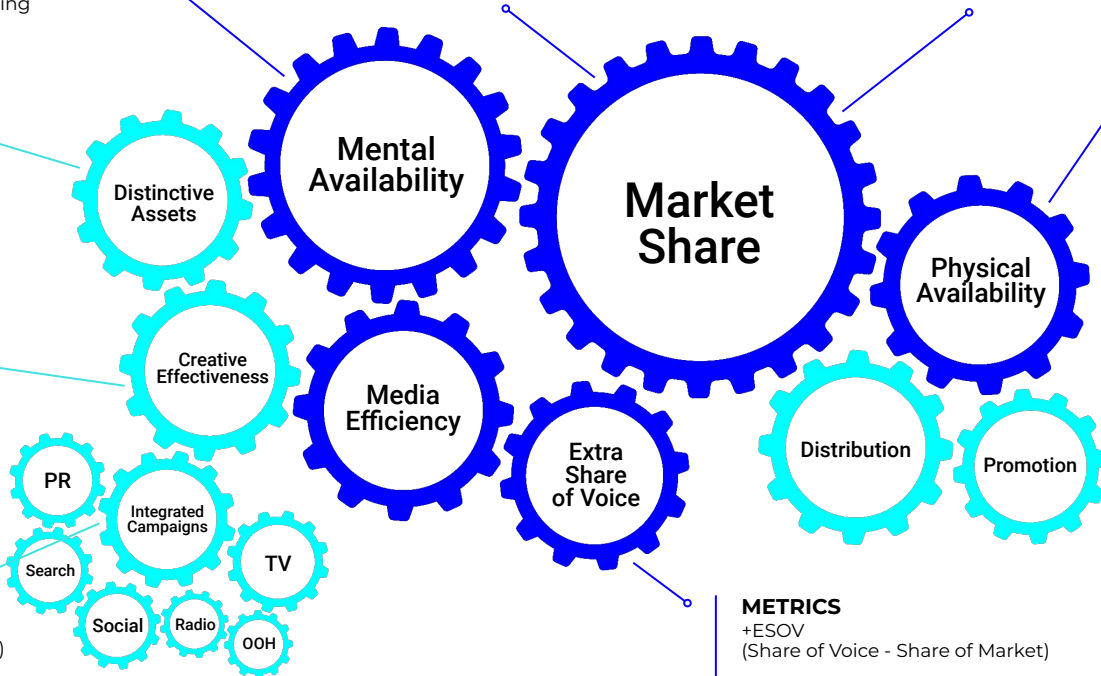
Physical Availability Report
Actionable Insights for Increasing

METRICS

+ESOV
(Share of Voice - Share of Market)

DELIVERABLES

+ESOV Report



Slow Moving



Fast Moving

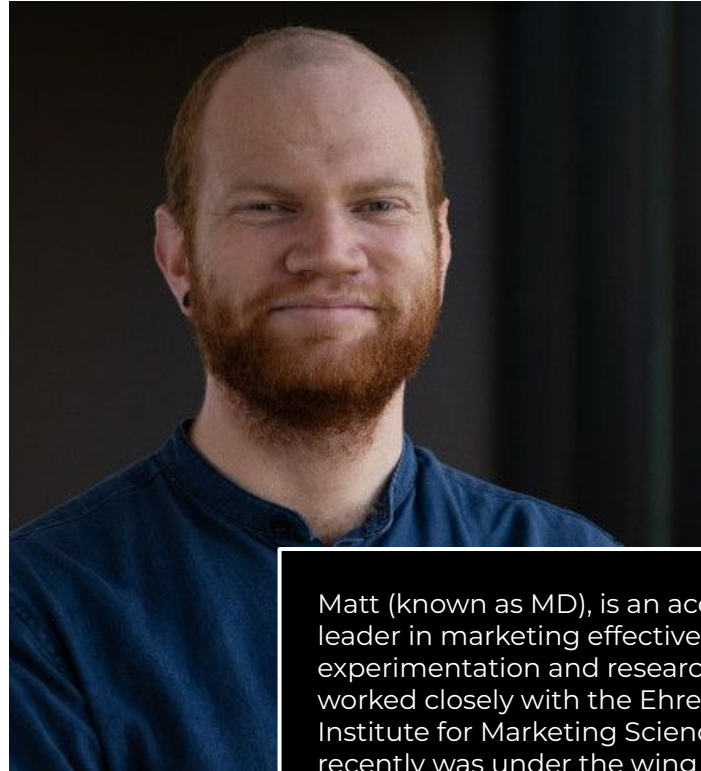
Getting Started with The Cogs

We partner with empirical marketing researcher Matt Daniell to help brands of all sizes build a more insightful and predictive dashboard for their marketing engines.

For starters, we guide clients through a combination of internal & external research to:

1. Determine the best measurements of market share (which competitors to include, how to gather competitive data, etc.)
2. Benchmark current mental availability & prioritize category entry points to attack
3. Evaluate distinctive brand assets — which ones to use, lose and develop
4. Measure creative effectiveness

This process takes 3-6 months.



Matt (known as MD), is an accomplished leader in marketing effectiveness, media experimentation and research. MD has worked closely with the Ehrenberg-Bass Institute for Marketing Science and most recently was under the wing of Attention measurement pioneer Dr. Karen Nelson Field, leading the research department at Amplified Intelligence.



EMPIRICAL MARKETING *for* **PREDICTABLE GROWTH**

We help ambitious brands maximize market share and minimize waste by harnessing universal, powerful and empirically-proven laws of brand growth.

“The truth is out there.”

Chat with us about working together & implementing The Cogs

John Bloss, Biz Dev Manager

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(630) 835-9916

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