

COMMENTARY

# It's Time to Unite Brand And Response Advertising

by **Ben Kunz**, June 4, 2021

A curious thing happened this spring. Airbnb, in its May earnings call, announced it had recently slashed its global sales and marketing budget by 28% -- mostly in performance advertising -- and concurrently launched its first brand campaign in a half decade. Not only did Airbnb web traffic remain steady, but it grew consumer response in the five countries exposed to its TV brand advertising.

Why would Airbnb, in a post-pandemic recovery where millions hanker to travel again, downplay performance marketing for branding? Because direct response and brand advertising is converging.

Think of this merger as a new model, precision branding, that closes the age-old, counterproductive divide in marketing planning.

Marketers are in the business of memory management, and direct response and branding each pull only two of four psychological levers that build memory: primacy, recency, frequency, and story. We tend to remember the first incident of any kind (e.g., the first person we ever kissed), what happened in the past day or week, people or things we encounter frequently, and incidents that resonate with our inner narratives. Whether it's getting your first job or a fight in high school, we remember moments that informed paths we see ourselves taking in life.

Direct marketers' focus on primacy and recency works but doesn't inspire long-term loyalty. Sending 20 retargeted ads every time someone visits your site is easily replicated. But the Interactive Advertising Bureau finds consumers respond to online offers principally for free shipping, coupons, free product trials and discounts -- hardly a way to build repeat sales.

Brand marketers' focus on story and frequency strikes emotional chords consistently. The Dove "Real Beauty" campaign told the common story of women who don't perceive themselves as beautiful. The Nike brand is conceptually valued at \$30 billion because "Just Do It" resonates inside every athlete. These brand stories are the Story of You -- and are more likely to create long-term customer relationships.

Precision branding brings all aspects of memory-building together, by connecting the best of direct-response offers and recent messaging to the larger canvas of story over time. Brand can drive response, and studies by Accenture have found effective brand levels often provide a 22% or higher lift in immediate response funnel performance; direct response in turn has data sources that can be connected to high-impact storytelling.

So next time you enter your advertising budgeting cycle, try designing a campaign in which data informs all aspects of paid media. Explore how data can be connected to "brand media." Run forecasts in which brand lifts direct response, and DR-type data in turn boosts brand performance. Above the line and below the line are now fallacies, because that line is gone.

The results may surprise you. As Airbnb's CEO Brian Chesky noted, advertising can focus on education, instead of just being a tool "to buy customers."