

In Terms Of ROI: What Is The Optimal Strategy for New Breakthrough Ideas? - Bill Harvey - MediaBizBloggers



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We used to call them "Big Ideas" and the advertising business considered these to be the highest gold produced by the art.

These were – and still are – ideas that profoundly reshape the brand's business in a positive way.

They always start from seeing through the fog to an untapped essence within the brand already.

And then they flip the switch and perceive the way to communicate this hidden brand strength to its constituencies so as to increase ROI.

Along the way, these Big Ideas tend to be ground down by three processes:

1. Everyone is too afraid to do them, although they love to talk about them.
2. Those ideas that actually do make it to implementation get watered down along the way by committee think, which is all about risk avoidance and chopping corners off of ideas to reduce perceived risks.
3. Long delays in implementation.

By the time most Big Ideas get off the ground their potential benefit has been substantially inhibited.

One of the reasons we created TRA was so that there would be an industry platform for the affordable and rapid testing of undiluted Big Ideas.

What if your company's policy was to test Big Ideas as quickly as possible, using sneak media in cable zones with ROI read by TRA?

How much would this add to media/research investment in 2010? What would the likely impact be on sales and ROI, and what X would that be of incremental investment?

Let's model it for a moment. Say there are two levels to consider – the test and then the rollout. The test cost might be \$500K in producing any new creative, spot cable zone media buys, broadcast cut-in costs to cover specific base plan spots, research costs, incremental personnel time allocation – the rollout cost if the test is successful might not be an increment at all, if what was tested involves media dollar shift rather than heavyup.

Say that were the case – for example, the Big Idea might be using TRA to index onto Nielsen in TV media selection, which can be tested like any other Big Idea in a few cable zones. The combined media and research cost could be well under \$500K.

Say it shows that the media shift that favors purchaser target X produces a 15% higher ROI than the existing plan.

If the brand's TV spend is \$20 million and the brand's current TV ROI is \$1.20, a 15% increase means an incremental 18 cents return for every dollar invested, which at \$20 million would be an incremental \$3.6 million. Minus the \$500K, that would be a net first year gain of \$3.1 million. The gains in subsequent years would increase the ROI.

Whatever the Big Idea – whether it be a Cause Marketing idea, a podbuster idea, a creative execution Big Idea, branded entertainment innovation, True Sponsorship/Gratitude Effect (see Harvey et. al. *Journal of Advertising Research* Dec. 2006), use of TRA purchaser targeting weights, use of TRA ROI program type weights, or whatever, it can be affordably and quickly tested in TRA cable zones.

What is the risk of ***not*** immediately taking advantage of this opportunity to more quickly and surely integrate tomorrow's Big Idea into your company's process? Why not test and then if successful ratify a policy of testing all new Big Ideas, now that it is affordable?

Given the size and representativeness and data hardness of TRA massive passive samples, can there still be methodological qualms large enough to not even ***test*** something like this?

Or will Rogers and Kuhn's diffusion curve for the adoption of innovations rule again? In other words, will some companies wait to be fast followers and give up enormous long-term advantages to the leaders?

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