Communications Environment Post Catastrophic Events

Over the past few years, US market conditions have negatively impacted nearly every sector of our economy. The combination of recent international events and the scandals in corporate finance have undermined both investor and consumer confidence, accompanied by exponential leaps in technology which have redefined the very nature and pace of how we work. The mainstream business adoption of the internet and e-business have promoted both consumer and business-user expectations of real-time access to information and services. Against the backdrop of these changes, widespread budget cuts have affected many of the choices and decisions involved in resource allocation, particularly in the arena of promotional spending. Budgets for advertising and investor communications have been slashed across-the board, bearing the potential for generating unintended business repercussions.

As long-standing members of the creative community that serves the promotional needs of the business sector, my partner Jim Sims and I have been interested in researching the influence these changes have made in the attitudes, practices, and relationships among our creative counterparts in the industry. Over the past two years, we have done extensive research on the communications industry through my MBA graduate work at Marylhurst University. This survey is one element of a research project for my business research class (MKT545) this fall.

The project report including coding and statistical analysis of the data is due on Dec. 9, so I have chosen e-mail as the most expedient method of distribution and collection of the questionnaire. Jim has designed the survey as a PDF form document, so it can be easily completed using Adobe Acrobat, and returned via e-mail. There is a button on the last page that automatically gathers your responses and creates an e-mail message with the FDF attached... all you have to do is press "send" to return it to me. I intentionally configured the survey questionnaire to operate as an independent document with no personal identifying elements or demographics, so that all survey responses could be answered candidly, tabulated anonymously, and the privacy of all participants could remain secure. Please feel free to pass the survey along to any of your associates... the more responses I can collect, the more credible the results.

As working professionals I realize the time constraints we all face, but it would be greatly appreciated if you could take a few minutes to fill out the questionnaire and return it to me by Nov. 22, 2004. Jim and I are planning to have the final research report posted on our server by the holiday season, so the results can be of benefit to all who have so graciously participated.

Thanks so much for your time.

Amy Boynton

Communications Environment Research Report

Principal impacts of budget cuts on communications materials
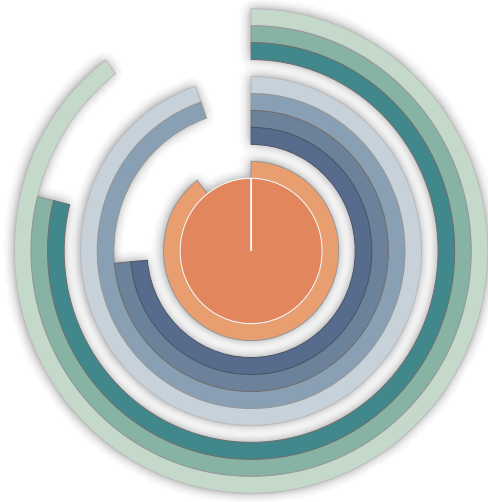
IMPORTANCE OF PHOTOGRAPHIC QUALITY

100% OF 10 INTERNAL PRIORITIES; QUALITY OF IMAGERY RANKED HIGHEST[1]

90% OF 5 OPTIONS; PREFER TO CONTRACT NEW PHOTOGRAPHY[2]

LOCALIZED IMPACT OF CUTS

74% OF 7 EFFECTIVENESS ATTRIBUTES; IMAGE POWER RANKED MOST AFFECTED[3]

74% BELIEVE PHOTO OPTION CHOICE STRONGLY AFFECTS MESSAGE CLARITY

95% BELIEVE PHOTO OPTION CHOICE IS DETERMINED BY PROJECT BUDGET

95% OF 8 QUALITY FACTORS; PHOTOGRAPHY RANKED AS MOST AFFECTED[4]

TOP RANKED FACTOR AFFECTED BY CUTS

79% OF 8 FACTORS; CREATIVE CHOICES RANKED AS MOST AFFECTED[5]

79% BELIEVE QUALITY HAS DECLINED IN THE PAST 3 YEARS

AS CONSUMERS OF COMMUNICATIONS MEDIA

89% BELIEVE EFFECTIVENESS HAS DECLINED IN THE PAST 3 YEARS

Executive Summary

Research definition

Survey of the changes in attitudes and practices among leading national creative communications professionals resulting from widespread cutbacks in promotional spending by business clients over the past 3 years.

Research objectives

- Measure opinions and attitudes among designers and art directors regarding the impact budget cuts have had on the quality and effectiveness of communications projects.

- Evaluate changes in protocols and choices made by designers and art directors when initially conceiving a project solution, and examine the effect budget cuts have had on specific attributes that impact the quality and effectiveness of the solution.

- Quantify the current use of stock images vs original project-specific images, and determine the degree to which budget cuts drive the creative choices.

Summary of findings

This research provides a snapshot of current perceptions among creative professionals indicating their judgment of the impact that promotional budget cuts have had, with respect to the overall quality, effectiveness, creative choices and practices involved in the creation of communications pieces. In particular, the findings highlighted the crucial role played by visual images in message transmission. The prevailing trends and technologies that have encouraged the widespread use of stock photography to offset costs could result in a backlash; such broad use of images considered by these creative professional to possess less power and clarity in message transmission may result in negative consequences for the company and the brand. The necessity for visual literacy in current market conditions has surged in relevance and can leverage the strength of competitive advantage by companies that recognize the need and act on that knowledge.

The most striking result revealed by this research was the fact that of all the attributes, attitudes, and practices examined, the data disclosed the greatest impact from promotional budget cuts to be on the quality and effectiveness of the photographic images. The results manifested a nearly universal preference among all respondents for contracting new photography specific to the project, yet the photographic option cited by 46% as the one most often used was stock. New photography was indicated by 34% to be contracted often, yet another 17% reported that images supplied by their clients were most frequently used. Stock and pre-existing images are similar alternatives used in cutting costs; when considered together they account for 63% of the photographic options cited as most often used. Of all the respondents, 95% stated the choice of the photographic option was predominantly driven by the budget, and 74% believed the image option used had a strong affect on the clarity of the message. Also of significance was a virtual consensus among the respondents that when judged from the perspective of a consumer rather than a creator, the changes they had observed in the communications industry over the past three years had lowered the quality and weakened the effectiveness.

1. BUDGET, CONCEPT, CREATIVE CONTROL, QUALITY OF IMAGERY, QUALITY OF TEXT, TURN AROUND TIME, CLIENT RETENTION, QUALITY OF EXECUION, MEETS CLIENTS NEED, IMPROVES PORTFOLIO.

2. NO PREFERENCE, STOCK PHOTOGRAPHY, CLIENT SUPPLIED PHOTOGRAPHY, SHOOT IN-HOUSE, CONTRACT NEW PHOTOGRAPHY.

3. DIFFERENTIATION OF BRAND, MESSAGE CLARITY, SOLUTION EXPEDIENCE, POWER OF VISUAL IMAGE, CONNECTION WITH AUDIENCE, CREATIVITY OF APPROACH, APPROPRIATE TO VENUE.

4. GRAPHIC DESIGN, COPY, ILLUSTRATION, PHOTOGRAPHY, PRINTING, PAPER CHOICE, CONCEPT, ORIGINALITY.

5. OVERALL BUSINESS, COMMUNICATIONS QUALITY, COMMUNICATIONS EFFECTIVENESS, CLIENT RELATIONSHIPS, SUPPLIER RELATIONSHIPS, CONCEPTUAL DIRECTION, CREATIVE CHOICES, TECHNOLOGY PROTOCOLS.

Sample

Non-Probability Sample

Selected by judgment of researcher based on access to and applicability of sample units.

Sample base:

19 National Design Firm and Ad Agency Creative Professionals

Sample Units:

Individual art directors, creative directors, and graphic designers from the Sims Boynton Photography client database.

Principals	15
Executives	2
Other	2
TOTAL BASE	19

Sample City Spread:

Chicago	3
Dallas	4
Houston	3
Minneapolis	4
Salt Lake City	1
San Francisco	4
TOTAL BASE	19

Sample Firm Size:

Under 5	7
Small	6
Medium	4
Large	2
TOTAL BASE	19

Survey Design

Survey combined questions rated on a 5 point category scale, a 4 point scale, and a 3 point scale, and alternative choice questions. Rating pertained to importance, frequency, impact, and variance.

Questionnaire was grouped in four categories:

- **CHANGES:** In business and observations of budget cut impacts
- **ATTITUDES:** Risk assessment and relevance of client's hierarchical level
- **ATTRIBUTES:** Impact of budget cuts on overall quality & effectiveness of projects
- **CREATIVE CHOICES:** Analysis of image choices relative to frequency of use, preference, impact from budget, and affect on message clarity.
- **PERSONAL REACTIONS:** Respondents observation of changes in media quality and effectiveness from viewpoint of consumer rather than creator.

Data Collection

Survey collected via e-mail both to distribute and return survey, from 11.8.04–11.30.04. There were 70 surveys sent out with 2-3 follow-ups each, from which 19 surveys were returned. Five respondents who had agreed to participate never returned their surveys, and did not respond to the follow-up reminders.

Data Analysis:

To simplify the interpretation of the data, the 5 point scales were reduced to three; none/ small, average, and large/huge. Data tables were constructed in Excel.

1 CHANGES

Many sectors of the communications and advertising industry have been sharply affected due to the widespread budget cuts in promotional spending by the business sector over the past three years. Please indicate to what degree such changes in budget allotment by your clients have impacted your own company.

1.1 Overall, how much of an impact has this trend had on your business?

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

1.2 From your perspective, to what degree have budget cuts impacted the overall quality in the communications industry? (consumer advertising and corporate communications in all media)

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

1.3 From your perspective, to what degree have budget cuts impacted the overall effectiveness in the communications industry? (consumer advertising and corporate communications in all media)

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

1.4 In your judgment, have budget cuts affected your overall relationships with your clients?

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

1.5 In your judgment, have budget cuts affected your overall relationships with your suppliers?

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

1.6 In general, to what degree have budget cuts influenced the primary direction in your thinking when conceiving the solution for a new project?

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

1.7 In general, to what degree have budget cuts directed your creative choices when selecting a particular solution for a project need? (copy, printing, illustration, photography, etc)

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

1.8 In general, to what degree have the technological advances in data access and the speed of data transfer affected your protocols on a given project?

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

2 ATTITUDES & PROTOCOLS

This portion of the survey regards the impact promotional budget cuts have on the choices, protocols, and relationships in the communication creation process.

In your judgment, please estimate the extent to which smaller promotional budgets have affected the following attitudes and protocols of the participating individuals when conceiving and executing a communications project.

2.1 Willingness of clients to take risks…

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

2.2 Willingness of my own company to take risks...

1	2	3	4	5
none	small	average	large	huge
☐	☐	☐	☐	☐

2.3 Hierarchal level of client contact at the project initiation…

1	2	3	4
low level	project	divisional	executive
☐	☐	☐	☐

2.4 Hierarchal level of client contact involved in project decisions…

1	2	3	4
low level	project	divisional	executive
☐	☐	☐	☐

2.5 Hierarchal level of client contact at the final presentations…

1	2	3	4
low level	project	divisional	executive
☐	☐	☐	☐

2.6 Relevance of contact's corporate hierarchal level to the finished project's overall quality.

1	2
not revelant	revelant
☐	☐

2.7 Relevance of contact's corporate hierarchal level to the finished project's overall effectiveness.

1	2
not revelant	revelant
☐	☐

3 ATTRIBUTES

3.1 Rank the level of importance of the following project attributes as you perceive the priorities of your clients.

		1 none	2 low	3 average	4 high	5 critical
3.1.1	Budget	☐	☐	☐	☐	☐
3.1.2	Concept	☐	☐	☐	☐	☐
3.1.3	Differentiation	☐	☐	☐	☐	☐
3.1.4	Quality of Imagery	☐	☐	☐	☐	☐
3.1.5	Quality of text	☐	☐	☐	☐	☐
3.1.6	Expedited Turnaround	☐	☐	☐	☐	☐
3.1.7	Visual Message Clarity	☐	☐	☐	☐	☐
3.1.8	Verbal Message Clarity	☐	☐	☐	☐	☐
3.1.9	Accurate Targeting	☐	☐	☐	☐	☐
3.1.10	Relevant to Project Intent	☐	☐	☐	☐	☐
3.1.11	Aligns with Strategic Goals	☐	☐	☐	☐	☐
3.1.12	Online Integration	☐	☐	☐	☐	☐

3.2 Rank the level of importance of the following project attributes from the vantage point of the priorities within your own company.

		1 none	2 low	3 average	4 high	5 critical
3.2.1	Budget	☐	☐	☐	☐	☐
3.2.2	Concept	☐	☐	☐	☐	☐
3.2.3	Creative Control	☐	☐	☐	☐	☐
3.2.4	Quality of Imagery	☐	☐	☐	☐	☐
3.2.5	Quality of text	☐	☐	☐	☐	☐
3.2.6	Turnaround Time	☐	☐	☐	☐	☐
3.2.7	Client Retention	☐	☐	☐	☐	☐
3.2.8	Quality of Execution	☐	☐	☐	☐	☐
3.2.9	Meets Client Need	☐	☐	☐	☐	☐
3.2.10	Improves Portfolio	☐	☐	☐	☐	☐

3.3 In your judgment, please estimate the extent to which smaller promotional budgets have affected the following elements influencing quality in a communications project.

		1 none	2 small	3 average	4 large	5 critical
3.3.1	Graphic Design	☐	☐	☐	☐	☐
3.3.2	Copy	☐	☐	☐	☐	☐
3.3.3	Illustration	☐	☐	☐	☐	☐
3.3.4	Photography	☐	☐	☐	☐	☐
3.3.5	Printing	☐	☐	☐	☐	☐
3.3.6	Paper Choice	☐	☐	☐	☐	☐
3.3.7	Concept	☐	☐	☐	☐	☐
3.3.8	Originality	☐	☐	☐	☐	☐

3.4 In your judgment, please estimate the extent to which smaller promotional budgets have affected the following aspects influencing the effectiveness of a communications project.

		1	2	3	4	5
		none	small	average	large	critical
3.4.1	Differentiation of Brand	☐	☐	☐	☐	☐
3.4.2	Clarity of Message	☐	☐	☐	☐	☐
3.4.3	Expedience of Solution	☐	☐	☐	☐	☐
3.4.4	Power of Visual Images	☐	☐	☐	☐	☐
3.4.5	Connection With Audience	☐	☐	☐	☐	☐
3.4.6	Creativity of Approach	☐	☐	☐	☐	☐
3.4.7	Appropriate to Venue	☐	☐	☐	☐	☐

4 Creative Choices

In this section, please specify your judgment regarding the use of existing photographic stock images versus the creation of new project-specific photographic images relative to cost, message delivery, & connection with the audience.

4.1 Please rate your perception of the average client's degree of visual literacy. Visual literacy refers to the level of awareness, knowledge, and impact of the visual arts as they relate to promotional strategy.

1	2	4
low	somewhat	high
☐	☐	☐

4.2 How pertinent is the client's degree of visual literacy when determining image options?

1	2	4
not	somewhat	highly
☐	☐	☐

19

4.3 When conceiving a project solution, how often do you select from these photographic options

		1 rarely	2 occasionally	3 often	4 always
4.3.1	No Image Use	☐	☐	☐	☐
4.3.2	Use Stock	☐	☐	☐	☐
4.3.3	Client Supplied Imagery	☐	☐	☐	☐
4.3.4	Shoot In-House	☐	☐	☐	☐
4.3.5	Contract New Photography	☐	☐	☐	☐

4.4 When conceiving a project solution, which is your preferred photographic option? (Choose one).

		choices
4.4.1	No Preference	☐
4.4.2	Buy Stock Images	☐
4.4.3	Client Supplies Images	☐
4.4.4	Shoot In-House	☐
4.4.5	Contract New Photography	☐

4.5 To what extent is your choice determined by the project budget?

1 never	2 occasionally	3 often	4 always
☐	☐	☐	☐

4.6 To what extent do you think this choice affects the clarity of message transmission?

1 no effect	2 small	3 strong	4 critical
☐	☐	☐	☐

5 Personal Reactions

This section focuses on your reactions to any changes you may have observed in communication mediums from the viewpoint of a consumer, rather than as a producer. The next few questions are aimed at understanding how you personally experience and react to current communications media.

5.1 In your personal experience have you observed any change in the quality of media communications over the past 3 years.

1	2
no	yes
☐	☐

5.2 When considered on the whole, do you think these changes have raised the level of quality, or degraded the level of quality in media communications efforts?

1	2
lowered	raised
☐	☐

5.3 In your personal experience have you observed any change in the effectiveness of media communications over the past 3 years?

1	2
no	yes
☐	☐

5.4 When considered on the whole, do you think these changes have enhanced the ability to communicate a message effectively, or impaired that ability?

1	2
weakened	strengthened
☐	☐

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