



Creative Impact in Digital Media: Recalibrating Creative Investment for Brand Performance

Introduction

The evaluation of campaign success has largely relied on short-term purchase intention and conversion metrics, even though these fail to capture the broader value of creative work. This overreliance creates a misalignment between creative evaluation and its actual contribution to long-term brand building, often leading to undervalued or short-term-optimized creative investments. This brief synthesizes findings from "Advertising Creativity: Its Influence on Media Response States Towards the Hierarchy of Effects" (Paredes et al., 2023), which investigated advertising creativity (AC) effectiveness mechanisms as experienced through interactive digital media (IDM). The study confirms that AC significantly drives positive outcomes across the hierarchy of effects (HOE) stages. However, the influence is most potent in the early, experiential stages—specifically awareness ($\beta = 0.575, p < 0.001$), learning/memory ($\beta = 0.536, p < 0.001$), and brand liking ($\beta = 0.551, p < 0.001$). Practically, this implies that creativity generates nearly 60% stronger effects on awareness and early consumer response states than on later conversion-oriented outcomes, suggesting that its primary economic value lies in shaping brand perceptions rather than immediate purchase behavior. These findings indicate that industry decision-makers must elevate AC from a tactical expense to a strategic asset, focusing its deployment and measurement on the initial brand-building phases to maximize return on creative investment.

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Policy Options

The study provides an evidence-based mandate for the adoption of a strategy that elevates AC to a primary strategic asset (Option 1). This is supported by the robust statistical findings that reveal a clear mechanism of action and differential effect strength across the consumer journey.

The findings from the study necessitate a fundamental recalibration of creative investment and strategy within IDM.

1. *Option 1: Strategic alignment to experiential HOE.* Prioritize AC budget and focus on objectives targeting awareness, learning/memory, and brand liking, leveraging the areas of confirmed high statistical impact (β values exceeding 0.50).
2. *Option 2: Mandated focus on media response disruption.* Standardize creative briefs to explicitly require execution that immediately triggers positive MRS (attention, affect, arousal) to ensure optimal processing in distracted IDM contexts.
3. *Option 3: Comprehensive measurement protocol.* Implement measurement that captures the full path of AC effects, including pre- and post-exposure metrics for media response states and early HOE stages, rather than relying solely on purchase intention.

Background/Context and Theoretical Framework

The modern advertising environment is characterized by IDM and, with it, an overwhelming amount of advertising clutter, making it increasingly difficult for brands to capture and sustain audience attention (Melumad & Meyer, 2020). Advertisers must therefore understand effectiveness not only through outcome-based metrics but through the audience's experiential process of encountering advertising. In attention-scarce environments, creative disruption becomes a scarce strategic resource.

To address this, the study incorporates components of the differential susceptibility to media effects model (DSMM) into the traditional HOE model (Lavidge & Steiner, 1961). According to the DSMM, immediate media response states (MRS), which are cognitive, affective, and excitative reactions, are how media content (in this case, AC) exerts its impact. The study focused on 326 Filipino millennials residing in the National Capital Region (NCR), providing contextualized data for a critical demographic in a high-growth digital market. Understanding dynamic processes in

audience engagement may lead to the mitigation of continued underperformance of brand-building efforts and the misallocation of creative capital.

Foundational Models: The AC Process Framework

The HOE (Lavidge & Steiner, 1961) and the DSMM served as the two primary theoretical foundations of the study. Although HOE describes the steps consumers take from awareness to purchase, it frequently misses the crucial emotional and cognitive reactions that follow exposure to advertisements (Vakratsas & Ambler, 1999).

By introducing MRS as crucial mediators, the DSMM closes this gap. The immediate mental, emotional, and physical responses to a media stimulus (in this case, AC) are known as the MRS. The study operationalized AC using the dimensions of divergence (originality, novelty, artistic value) and relevance (appropriateness, meaningfulness). Effective AC in IDM must maximize positive MRS to start the HOE cascade, as per the main policy argument presented in this brief.

Methodology

A quantitative research design was employed with data collected from 326 Filipino millennials through a questionnaire-based survey focused on IDM advertisements. This demographic is important because of their high engagement and advanced media consumption behavior in a digitally mature market such as the Philippines' NCR. The findings reflect digitally mature NCR millennials and may vary across cohorts. Data analysis was done using partial least squares structural equation modeling. When the objective is prediction and theoretical extension, as was the case here, PLS-SEM is an effective multivariate technique for analyzing complex theoretical models with latent variables (Hair et al., 2017). The R-squared (R^2) values for the HOE stages indicated moderate to substantial explanatory power, accounting for over 50% of the variance in awareness and 33.1% of the variance in purchase intention. While the results indicate strong directional relationships, caution is advised as not to be interpreted as definitive causal proof. The policy recommendation to concentrate investment where the model exhibits the highest predictive power is supported by the strong R^2 for early stages.

AC's Direct Impact on Media Response States

The findings indicate that AC engages the audience's psychological state. The direct causal relationship between AC and the three primary MRS was strongly supported, with substantial effect sizes (f^2) as noted below:

1. AC → **Cognitive Response State (CRS)** (Attention, Processing): $\beta = 0.536, p < 0.001 (f^2 = 0.164)$
2. AC → **Excitative Response State (EXRS)** (Arousal, Interest): $\beta = 0.501, p < 0.001 (f^2 = 1.083)$
3. AC → **Emotional Response State (ERS)** (Affect, Feeling): $\beta = 0.360, p < 0.001 (f^2 = 0.919)$

Note: $f^2 \geq 0.02, f^2 \geq 0.15$, and $f^2 \geq 0.35$ represent small, medium, and large effect sizes, respectively.

The exceptionally high f^2 values for EXRS and ERS indicate that creative execution measurably drives attention and emotional engagement. This is consistent with existing advertising literature suggesting creative execution enhances positive feelings towards the ad and the brand (Ang & Low, 2000). The implication for industry policy (Option 2) is clear: creative execution must be optimized for immediate, non-rational disruption to cut through the digital noise. To facilitate the cognitive and affective processes required for message encoding, the creative team's main objective is to temporarily divert the audience's attention from their main task to the advertisement stimulus (MacInnis & Jaworski, 1989).

Experiential vs. Rational HOE Effects

The analysis regarding the influence of MRS through the HOE stages provides support for Option 1, the need for a strategic allocation of AC investment. The results confirm that creative outputs yield their highest return in the initial, experiential stages:

HOE Stage	Path coefficient (β)	Significance	Effect Size (f^2)	Policy Significance
Awareness (HOE1)	0.575	$p < 0.001$	0.230	<i>Highest Impact.</i> AC is the primary driver of initial recognition.
Brand Liking (HOE4)	0.551	$p < 0.001$	0.201	<i>Strong affective transfer,</i> key for positive brand equity.
Learning/Memory (HOE2)	0.536	$p < 0.001$	0.187	<i>High retention.</i> Creative facilitates deeper information processing.
Purchase Intention (HOE5)	0.364	$p < 0.001$	0.098	<i>Moderate, non-linear effect.</i> AC must be supplemented by rational factors.
Claim Acceptance (HOE3)	0.321	$p < 0.001$	0.081	<i>Lowest impact.</i> AC is less suited for rational persuasion.

The high β and f^2 values for awareness and brand liking demonstrate that AC is fundamentally a brand-building tool in the IDM context. The policy must reflect this: for brand teams focused on long-term equity, AC is indispensable.

For campaigns focused solely on the conative phase (purchase intention), AC provides diminishing returns and must be partnered with strong rational-based promotional mechanics, clear call-to-action, or detailed product information, as the statistical effect is nearly half that of awareness.

This aligns with other findings, which show that later-stage behavioral outcomes, particularly purchase intention, are more strongly influenced by rational evaluations and attitude formation than by creative execution alone (Siapno et al., 2024). This finding directly challenges generalized assumptions of creativity's uniform effect and underscores the need for strategically segmented creative development.

Strategic Insight

A crucial piece of analytical context that strengthens the call for focused creative investment is the null finding regarding the hypothesized moderating role of conditional media effects (e.g., need for cognition and sensation seeking). The study found that AC did not significantly moderate the relationships between these stable audience traits and the MRS.

This outcome suggests a profound insight for creative strategy: where AC can reduce over reliance on psychographic segmentations. Whether a millennial user is predisposed to deep cognitive processing (high need for cognition) or simply seeking immediate sensory stimulation (high sensation seeking), a highly creative ad forces an immediate, unmediated response that places the audience in a favorable position to process brand messages.

The evidence simplifies the creative challenge for IDM: focus resources on making the creative output inherently divergent and relevant enough to be universally disruptive, rather than attempting to finely tailor it based on complex individual psychological profiles, which may be costly and yield negligible incremental returns.

Road Map for Strategic Implementation

The following three policy directives constitute the road map for maximizing AC effectiveness in the advertising industry:

1. *Recalibrate Creative ROI Measurement Frameworks (Option 3):*

Action: Industry bodies must initiate a shift in core effectiveness metrics. Traditional sales-based models (Vakratsas & Ambler, 1999) must be supplemented.

Feasibility: Highly feasible through digital analytics. Agencies are encouraged to combine the use of MRS

tracking metrics (e.g., immediate post exposure affect scales, neurophysiological measures) with existing brand lift studies targeted to awareness ($\beta = 0.575$) and liking ($\beta = 0.551$). This ensures that AC's confirmed value is financially tracked and justified, moving it from a perceived cost to a measurable investment.

2. Integrate Creative Strategy with Media Planning

Action: Initiate organizational processes to eliminate the sequential "media first, creative second" workflow concept.

Feasibility: This will require cultural and structural commitment. Creatives and media planners must jointly develop campaigns, where the media placement context dictates the required level of creative divergence. For high-clutter environments where attention is lowest, the need for a highly disruptive EXRS-triggering creative ($\beta = 0.501$) is paramount. This ensures resources are spent on developing the *right kind* of advertising creativity for the *right context* (MacInnis & Jaworski, 1989).

3. Refine Creative Briefs with Statistical Objectives (Option 2):

Action: Creative briefs must transition from subjective goals to quantitative, HOE-stage-based targets.

Feasibility: Requires training. For a brand launch, for example, the objective would be to "Achieve a 20% lift in awareness via creative that maximizes divergence to engage the cognitive and excitative response states (β values ~ 0.500)." This transforms creative development into a strategic engineering process, guiding talent to focus on originality and relevance that demonstrably drives the highest-impact HOE stages.

Conclusion

The practical value of AC in IDM environments is confirmed in brand value phases (awareness, memory, and liking). For agency decision-makers, the recommendation for policy is to operationalize creativity as a strategy asset whereby experience stage(s) of the HOE are better focused and measured with resources. Aligning strategy with the empirically validated mechanisms of AC enables agencies and brands to confidently invest in creativity as a primary driver of brand-building performance within attention-scare digital environments.

Organizations should reorganize key performance indicators and evaluation systems to represent creativity's

brand-building function rather than depend solely on short-term conversion indicators.

Ongoing KPI misalignment may cause systemic underinvestment in creativity, thereby weakening long-term brand equity and competitive positioning. Firms that include creativity into their strategic planning and measurement systems will be better prepared to get a lasting competitive edge in increasingly saturated digital media markets.

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