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# Put Your Ad Where the Eyes Are

# OMA OMA DISPLAY

These days, the hype is focused on "buying audiences, not context." And yet the majority of online display spending is going to premium inventory on a site-specific basis.

Learn the reasons why, and the new tactics for leveraging premium ads, premium sites and premium placements for your marketing mix.

NOVEMBER 8, 2012 NEW YORK CITY

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Facing Down marketing has an agency is a the Big Questions

At a publication like OMMA, it's almost a given that we spend hours (OK, days) dodging hype, superlatives and horsepucky. We love our platforms as much as the next media maven, but we work in a self-congratulatory world. Radical. Dramatic. Transformative. Innovative. Revolutionary. Gamechanging. Almost every pitch we see uses these words.

Yet, most of the time, we know it just isn't true. From major overhauls to minor tweaks, digital marketing is evolving. But let's call them upgrades, not revolutions. News that truly transforms the way a business or platform functions is rare.

### Call for entries: Agency of the Year

Yep, it's time. The editors of OMMA and MEDIA magazines are starting to evaluate agencies for our 2012 Agency of the Year awards. If you would like to nominate an agency, contact Carrie Cummings at carrie@mediapost.com. Winners will be selected based on the impact they had on the overall industry, as well as their own clients and campaigns during the past 12 months. Winners will be announced by year-end.

That's why we devoted this issue, "Radical Digital Transformation," to the ideas and technology that really are rewriting the playbook.

Take the upcoming presidential election. When President Barack Obama faced off against Sen. John McCain back in 2008, everyone was abuzz about the youth vote and social media. This time, mobile rules. See P.J. Bednarski's insightful "Mobile Goes to the Polls" on page 24.

Or remember how words like "campaign" or "ad agency" used to mean something? Read John Capone's "What We Talk About When We Talk About Ad Agencies," (p. 18) to find out how digital marketing has everyone struggling to redefine what an agency is and isn't, and where that might lead. "If

> the acquirers have changed, the targets might also change," he reports.

In David Gianatasio's "Connecting with Content," (p. 12), he argues that the campaign, that big-idea

extravaganza of the past, will be replaced by content that doesn't just find consumers, but engages them.

"It's about technology enabling the brilliant execution of ideas, facilitating more immediate and exciting interactions," Judy Austin, a longtime agency creative director and now an associate professor at Boston University, tells Gianatasio. She adds: "What hasn't changed is trying to be relevant and doing something meaningful with your brand."

In fact, some of the biggest changes aren't in advertising at all, but in the data that drives it, such as the massive changes in direct response (see Laurie's Petersen's piece on p. 48) or display advertising (see "Transformative Targeting," p. 39.) We talk to both Amir Weiss, vice president of digital at MetLife, and John Lee, senior vice president at Merkle, its ad agency, about those changes. Through integration, Lee says, "display truly has the potential to be the most accountable digital method there is." (See the duo present at OMMA Display on Oct. 1.)

What's your idea of true transformation? Let me know: sarah@mediapost.com.

Sarah Mahone y SARAH MAHONEY, EDITOR

ONLINE VIDEO GOES MOBILE

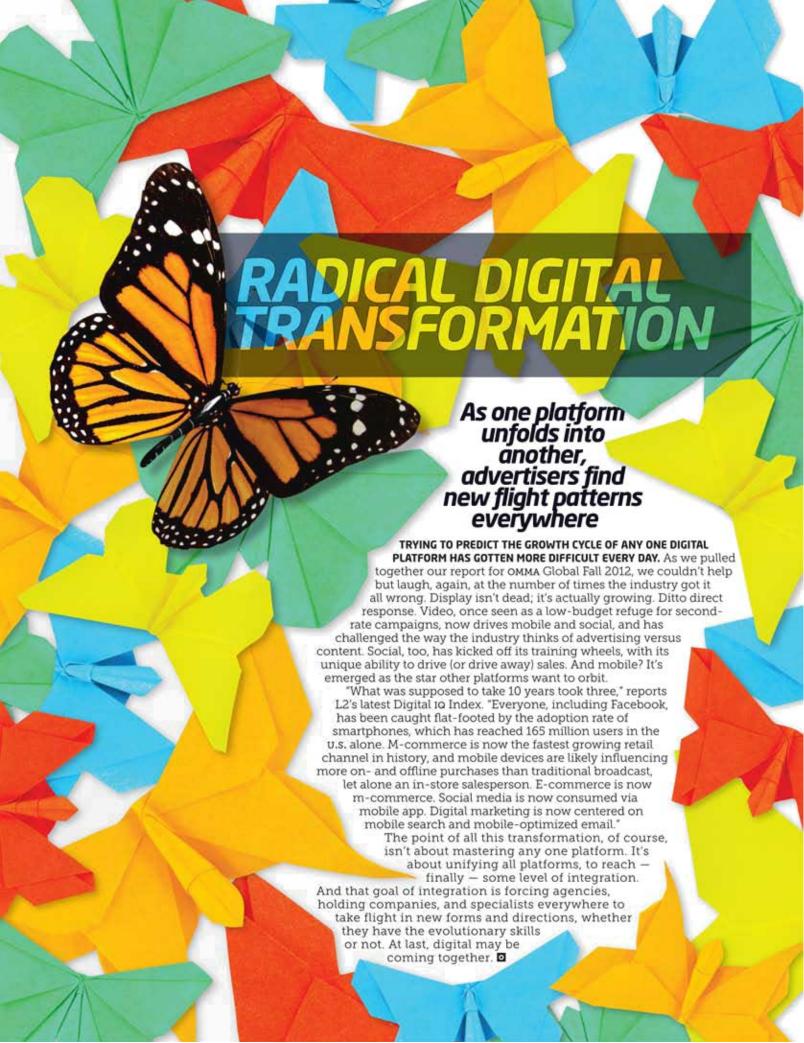
# ON DEVICES

THE COMING SIX MONTHS WILL SEE INCREASED VIDEO CONSUMPTION THANKS TO SECOND- AND THIRD-SCREEN ADOPTION AND INCREASED SHARING ACROSS SOCIAL PLATFORMS.

TAKE YOUR DRAMAMINE - PROFITS ARE GOING TO BE DIZZYING

OCTOBER 24, 2012 LOS ANGELES

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### **ADVERTISING**

# GETAWAYS Connecting with Content Brands are finding ways – new and old – TO WOO CONSUMERS. David Gianatasio reports

ASKED WITH CREATING AN ENGAGING VEHICLE TO HIGHLIGHT JETBLUE GETAWAYS PACKAGES

- which combine flights, hotels, ground transportation and more - the airline's senior vice president of marketing and commercial, Marty St. George, and his team decided to put a Millennial spin on a tried-and-true media trope: the game show.

According to St. George, the "big-vacation-to-wherever"type prizes described in breathless fashion

on vintage programs like The Price Is Right served as his primary inspiration.

St. George laughs recalling the "B-reel" footage of folks

frolicking on exotic beaches and partying in far-flung locales that would invariably flash on air to illustrate travel prizes.

Crafting the online competition "spiraled from that." he says, and seemed consistent with the brand's image and message, especially as the airline's actual vacation packages could be awarded to winning contestants who correctly answered questions on various topics via Skype.

Dubbed "Get Away With It," the branded content play



ran live for 15 minutes daily from June 18-22. The effort was broadcast from a glitzy game-show set in Manhattan. It featured a wacky mustachioed host (who could have stepped off the set of almost any Game Show Network rerun) and more than 100 contestants — winners' gaping grins and losers' disappointed pouts — displayed on studio screens in real-time.

St. George says the results — 13,000 contestant sign-ups; 10 minutes average viewing time; and a 117 percent boost in Getaways awareness — surpassed all expectations.

By going "back to the future"

— using familiar concepts (a game show) in a novel format (the real-time Web) driven by the latest technology (Skype)—
"Get Away With It" provides a blueprint for the future of innovative advertising campaigns.

Agency, client and media executives agree that the future of advertising has already arrived. It's all around us, highly techdriven (of course), and borrows strategies that wouldn't have seemed out of place in 1955, 1965 or 1980.

"We've over-talked it," says Sean Corcoran, senior vice president and director of digital media and social influence at ad shop Mullen, which helped develop JetBlue's game show. "We all know what's here and what's coming."

It's a no-brainer to extrapolate from current trends and predict that brands will, as they have for more than a decade, continue to shift their attention and funds into digital platforms. We'll see a swift acceleration of a five-year trek toward heightened sociability, mobility, consumer sharing, laser-sharp targeting and constantly improving measurability.

"None of that is new," says
Corcoran, and the time for
navel gazing about apps versus
the open Web and tablets versus
conventional TVs (interactive,
addressable or otherwise) has
long passed.

It's also clear that campaigns must be keenly targeted and served to the proper screens in ways that ensure maximum acceptance. Measurement tools abound, and quantifiable results, tied more closely than ever to sales, are required.

The what (compelling, targeted creative) and the why (to drive demand and spur sales) are readily understood variables.

The key to the equation is how the high level of engagement demanded by brands can best be facilitated.

"It's about technology enabling the brilliant execution of ideas, facilitating more immediate and exciting interactions," says Judy Austin, a longtime agency creative director who now serves as an associate professor in Boston University's advertising, marketing and PR program. "What hasn't changed is trying to be relevant and doing something meaningful with your brand."

"The key to great campaigns today is the same as what it was yesterday; outthink your competitors, outthink people's expectations," says Angela Natividad, digital strategist at CB'a, and high-profile industry blogger. "Think of Lowe Roche Toronto shaking up direct mail by parking a Porsche in the target's driveway and producing a creepy but compulsively keepable ad for every home." (The agency snuck brand-new Porsches into affluent neighborhood driveways and photographed them - then made the snapshots into ads left at the homes where they were taken. "It's closer than you think," read the copy. According to the agency, 32 percent of recipients





- astronomical in direct-mail terms - visited the dealership's Web site to schedule test drives.)

Specific delivery systems (desktops, smartphones, ooh installations and even potential buyers' driveways) are, to some extent, secondary concerns. Providing entertainment and utility are paramount.

Increasingly, agency, client and media execs blazing new trails (in essence, creating advertising's future every day) are discovering that they must fashion content that delights, informs and, most importantly, plays a vital organic role in consumers' daily lives.

"Branded content is going to be a centerpiece of marketing communication in this decade," says Corcoran. "This is happening because of all of the available touch points brands have - from their Web site to their mobile apps, from their Facebook page to their Twitter account and Pinterest board, etc. This is a great opportunity

for brands because it offers up direct relationships with customers beyond traditional advertising, email and direct mail, packaging and shelf space."

Some might claim how to go about achieving all these exciting interactions is the toughest value to deduce and tougher still to execute in captivating ways.

Consider the phrase "commercial interruption." Who likes being interrupted (especially during one's favorite program) by brand mascots selling soap, cookies, cars or whatnot?

But ... what if those characters had their own channels you could access at any time and on a device? And their shtick was catchy and provided information you actually wanted, even needed? Maybe you'd spend daily time with them ... and even share their antics with friends and family.

In surprisingly short order, you'd feel kindly toward the folks who brought you

those icons. Maybe you'd even choose to buy their products.

### Everything Old Is New Again

From the golden age of TV in the 1950s until roughly 1990, the sheer scale of mass media and the homogeneity of its audience made consumer connection relatively easy. Everyone watched the same shows and saw the same commercials. (This was true even in print, which was more highly targeted, because the same car ads that ran in Vanity Fair and Time would also appear in Sports Illustrated and Family Circle.)

In that era, brands could use relatively few long-lasting and ubiquitous campaigns to forge and reinforce their relationships with consumers.

With the media world now fragmented - and consumers able to change "channels" on any device in an instant - we see a logical inversion: Brands feel they have to "connect" on a one-to-one basis (through games, social media, etc.) to achieve the same intimacy they once had with a single commercial buy.

They are crafting increasingly brand-centric, brandidentifiable content ... but that's actually a return to a '50s model of Lucy stepping out of character to do a cigarette ad during her eponymous sitcom.

"Contextual" or "native" ads - so called because they blend into their surroundings - are hardly new. They're "like Route 66 using a Chevy Corvette as the third star of the show on CBS. Like Gracie Allen palavering with Harry von Zell in her

kitchen about the wonders of Carnation evaporated milk," says Tom Messner, a legendary ad executive whose career began during the Mad Men era. Ads are as integrated into their settings as ever.

Take the brilliant lunacy Stephen Colbert brought to a little of cracker this year - one popular, in fact, in the '70s: What Colbert provided for Wheat Thins on the February 23 Colbert Report is still talked about in ad circles and beyond undoubtedly because the content had more to do with the popular TV host's personality than the cracker's charms: Colbert turned his famous satiric wit full-force toward the product and its PR - and garnered more than 5,000 social mentions, 6,000 new Facebook fans and 2,000 Twitter followers. plus a Cannes Gold Lion. (According to MediaVest, the segment has been viewed more than 750,000 times to date.)

Brian Terkelsen, then global president of LiquidThread, Starcom MediaVest Group's digitally led content creation unit (and now ceo of MediaVest USA), says of the collaboration, "A certain amount of courage was called for to work in such fashion with Colbert. Even though the general thrust was worked out in partnership

with the show's producer, Viacom, 'You agree you'll vield control to him."

Of course, Terkelsen knew that Colbert would make merciless fun of the product. He didn't necessarily realize, however, the wildfire success the segment would enjoy. The effort proved so popular, Terkelson jokes, "it's become the gold standard for such social media integrations." As its big win in the south of France attests.

Terkelson's risk was richly rewarded. As Natividad puts it, "Right now, everybody's making an effort to be more 'personal,' with varying tolerances for risk. The degrees to which they succeed depend on how far they're willing to go."

Andrew Essex, CEO of Droga5, seems to agree: "Content is king, but context is kingdom. You can't just have the hubris of the big idea. It's critical to think about the receptivity of the work."

(Essex's agency has long been in the forefront of branded content. To promote Bing maps, Droga5 created a sweeping

Wheel

Thirts

treasure hunt in tandem with the release of rapper Jay-Z's autobiography, Decoded. The effort was one of the largest-scale pieces of branded entertainment yet attempted, and won an Outdoor Grand Prix at Cannes in 2011.)

### 11 Things No One Wants to See

Today, the brands themselves "break character" and become the educators and entertainers - and this is a truly media-agnostic trend, as true for old-school TV ads as it is for branded communications on Web sites and apps.

Even online advertising echoes certain print ads from long ago: Longform ads like those written by David Ogilvy in the 1950s were info-rich and. at the time, considered as fun to read as the copy around them. In today's jargon, they would count as contextual advertising. For example, an Ogilvy ad for British tourism that ran in The New Yorker would mirror that magazine's

> highbrow style, while an ad for cookware in a woman's magazine would speak to consumers in the tone and parlance of the publication's audience. In each case.



long-form print ads included lots of product information and would almost serve as minihandbooks. By and large, the public responded positively.

It still does. Buzzfeed adarticle hybrids such as Virgin Mobile's much ballyhooed "11 Things No One Wants to See You Instagram\* drew 329,676 total engagements and more than 2,000 Facebook likes and an enduring place in viewers' affections.

The type of customer we look for at Virgin Mobile embraces unlimited data," says Ron Faris, the company's CMO. "They're a hyperconnected set who value their social communities above everything else. To fuel conversation in these communities, a brand must build an authentic voice and express its POV often, no differently than your more dialed-in friend on Facebook."

"BuzzFeed helped us define a voice that could earn the right to go viral. Virgin Mobile publishes content four times a day now, and BuzzFeed was integral in helping define for us the difference between funny and shareable content," Faris says.

"This is what all the brands

want. People like it," says Jon Steinberg, BuzzFeed's president and coo.

Faris says Virgin Mobile is the most successful brand on the BuzzFeed platform, averaging one million unique views per month across 200,000 viral sharers on Facebook and StumbleUpon.

The key, according to St. George, Corcoran and other industry execs, lies in crafting entertaining communications that straddle multiple platforms and spur engagement on numerous levels, building overall image while giving consumers helpful information - and not just a sales pitch - about specific products and offers they can use right away.

"You're still trying to be relevant and meaningful with your brand," says Bu's Austin, who stresses that service has become a paramount concern. "Today, brands should say, 'We're here to help you.' "

Earlier this year, Swedish furniture chain IKEA offered visitors to Charles de Gaulle Airport in Paris a huge, adorably appointed space in which to rest.

And, of course, mobile phones' portability makes them perfect vessels for interactive creativity. Charmin's SitOrSquat app, which debuted in 2009, helps travelers locate and rate public bathrooms. The company reports 120,000 downloads in the four months since its most recent version (out of 840,000 total downloads). \*What a wonderful thing to give your audience," enthuses Austin. "It really cements a relationship."

Where '50s shoppers might have watched in-store demonstrations, today's consumer gets up close and personal. In return, brands that make our lives easier (or just more fun) can receive the kind of loyalty that pundits said went out by the '80s.

"The future of advertising is a return to the 1950s," Steinberg says. "Today's shared content is driven by word-of-mouth - also a vintage thing - and powered by social media."

"It's a matter of making better advertising," Essex says. "The future of advertising is this: Be good or face the consequences."

# mobile goes mainstream

# MOBILE MCOMMERCE

AS MARKETING BUDGETS AND STRATEGIES TAKE SHAPE FOR Q4 AND BEYOND, IT'S CLEAR MOBILE IS NOW LEADING THE WAY. NOW THAT IT'S GONE MAINSTREAM, GET THE INSIDE DOPE ON HOW BEST TO WEAVE IT INTO THE FABRIC OF YOUR MARKETING.

OCTOBER 23, 2012 LOS ANGELES

## **AGENCIES**

## What We Talk About When We Talk

As media, creative, design and PR give way to technology, software and product development, words like "digital" and "agency" mean less than ever by John Capone

HE FUTURE OF

ADVERTISING ISN'T ADVERTISING," says Rei Inamoto, chief creative officer of AKQA. It's a funny thing for one of the most decorated advertising executives of the decade a guy whose life revolves around selling products — to say. Or is it? Then again, it's the sort of Zen koan admen have been lobbing since David Ogilvy tread Madison Avenue.

## **About Ad Agencies**

Before you shout, "Explain yourself, Rei!" be sure of two things: He isn't really going to, and he's got another one for you: "We live in a world where change is the only constant," says Inamoto. "That's the only certain thing that we have."

All of that is true. It's why magazines like this one can do a new story about "The Future of Advertising" every single year. But you could learn a lot from Inamoto. About advertising. Or not advertising. Whichever. The guy has had to put up extra shelves around his office just to hold all the Lions and Clios, so just listen. "In the 20th-century we lived in a world where media delivered stories for brands, and in the 21st-century it will be software and networks that are building stories for the brands," he says. "It's less about relying on TV and radio and print and OOH to spread and distribute messages and more about building software that tells stories."

In this brave new world, agencies need to behave not like peddlers of media, graphic designers and pitchmen, but, rather, like tech start-ups. And, we've got news for you, bucko: The brave new world is upon us. "It's no longer art and copy; it's art and code," Inamoto says. "Quite simply put, it's the marriage between art and code that's defining what [the industry] is today,

and what will be our future much more distinctly than the one between art and copy that dominated for the past 50 years."

This manifests in myriad ways. Ways Lee Clow merely dipped his beard in. If advertising agencies are hiring coders, developers and software engineers; if publishing companies are offering custom marketing plans; if tech companies are creating and selling ads; well then, just what makes an agency an agency? Production companies and software specialists (AKOA among them) that grew to "agencies" have, to some degree, steered the direction of the industry.

### The innovation of small agencies has long fueled the growth of the advertising industry.

And in the late '90s and aughts, as media transformed, that innovation came from all directions. Small shops that had specialties — and many of the creative shops were thought of primarily as production studios back then — were lighter and moved faster than the legacy agencies. And as media went through its digital transformation, some of these small shops went through their own. Firstborn, founded in 1997, was one of these smaller operations seen as a video and digital production studio — a place that made



things for brands and other agencies. One of its first major pieces of work was a CD-ROM for Calvin Klein. But as time went on, the agency grew and built out its core competencies. It expanded to a second floor in The Film Center Building in New York. Opened and then shuttered an L.A. office. It began to build a reputation as a "digital agency," Michael Ferdman, founder of Firstborn, says "agency" has become just another suffix, though. "Years ago we talked about ourselves as a 'digital agency.' That doesn't mean anything anymore," he says now. "I think clients want partners that understand their business and the changing landscape of consumers and how they operate in this digital age."

In 2011, Firstborn (which still has less than 100 employees and only a New York Ho - despite a decade and a half of steady growth) was acquired by the American arm of Japanese holding company Dentsu, which had purchased 360i the year before (both agencies continue to operate more or less autonomously). "When we started, selling was never the goal," says Ferdman. "But we grew to a certain size and an opportunity presented itself that made sense."

Mid-size and larger digital indies of a certain vintage are increasingly few and far between. In addition to the Firstborn and 360i acquisitions by Dentsu (which bought Aegis this summer for nearly \$5 billion in one of the largest acquisitions in advertising history), the list of recent acquisitions is long. Forward-looking Victor & Spoils, a new-model crowd-sourcing agency, was acquired by Havas last spring. Publicis bought Rosetta, ввн and Big Fuel. WPP's JWT acquired Digitaria in 2010, just a couple of years after its Interpublic purchased a controlling interest in the fast-growing Huge; WPP also recently acquired Rockfish and, notably,

AKQA - one of the last remaining digital indies from the dawn of the digital-agency age.

But is it the same-old song with a digital beat, or is the game changing? Dentsu Network president and cgo Tim Andree, for his part at least, says the amoeba-like impulses that usually drive acquisition are in check. "We're not pursuing a strategy of scale for scale's sake," he said after announcing the Aegis deal. Then he took a swipe at his new peers: "That's the old-style holding company model."

The moves are cyclical to a degree. The midsize agencies of today were the smaller agencies of yesterday. But there is a squeeze going on. There are more small agencies and boutique media and marketing outfits than ever, but also fewer mid-sized ones — and the larger holding companies continue to grow. According to a report from Marketing Services Financial Intelligence, combined holding company profits in the advertising and marketing services sector despite a sluggish economy and global reces-

sion - were up nearly 30 percent in 2011 over 2010. The firm tracked the big five (WPP,

> Omnicom, Publicis, Interpublic and Dentsu) as well as other publicly traded holding companies such as Havas.

"Seems like we are in the age of acquisition," concludes Ferdman. "Perhaps this process will continue, but the interesting thing will be how the huge increase of software and product companies looking to get funding and sell fast will have any effect on things." Other frequently mentioned acquisition targets include Brooklyn's Big Spaceship and

Rokkan, both of which were seen at one time as software specialists, but now are viewed as more fully integrated agencies. Rokkan ceo John Noe says, "We are not trying to



Early work for Calvin Klein was part of Firstborn's evolution: "Clients want partners that understand their business." chase a head count or revenue number." The agency is driven by a desire to work on big ideas, he says, though not necessarily ones at huge scale, adding that he and his partners are not opposed in principle to acquisition.

Then there is the oddity of moves like Hearst's acquisition of iCrossing in 2010, turning the former into a publisher that offers in-house agency services to brands. The opposite of a digital divide has opened up. Something that has invited more constituents to the brand marketing party than ever before.

If the acquirers have changed, the targets might also change. It is not so far-fetched to think that holding companies and agencies may set their sights on technology companies and software start-ups.

### If words like "digital" and "agency"

have been devalued, where does that leave the ad industry? Also becoming muddied are the waters between media, creative, design and PR; even the murky depths between technology, software and product development and advertising have become more turbid. And you know what muck means: mud wrestling.

Many say that the industry has become less about delivering promotional elements and more about providing solutions. There are, of course, many different ways to go about this. And, to Inamoto's point, most of these don't look very much like advertising.

For instance, John Noe says branded destinations, while still a component of marketing efforts, are not what marketers are hanging their hats on anymore. The questions, he says, are more like, "What can we do in the places where our audience goes everyday?" and "How do we insert the brand into a space where we can get

people to start talking about it?"

WHAT CAN

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WHERE WE

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ABOUT IT?'

In Inamoto's take: "It's less about story-telling, but more about behavior. Less about campaigns, but more about building franchises. Less about 360, more about 365," he says. "It's better to create 365 days of connection as opposed to 360 degrees of communication; 365 days of connection - you can do that through a single channel, let's say mobile, you can do that much more effectively than spending millions of dollars on media that people might not give a shit about."

All of this starts to sound like something to which the public relations industry might lay claim. And public relations agencies are repay-

> ing the favor. For instance, Edelman has a global





space is so new, there's quite a bit of action of agencies trying to grab as much of those responsibilities as possible," says Noe.

"Anyone can own the big idea these days," says Kevin King, global digital practice chair at Edelman. "That used to default to the ad agencies; I don't think that's really the case anymore." Edelman has been playing in this particular digital muck for years; King sees the digital group as equivalent to a full-service digital agency. "It's not so much that suddenly we're competing against more traditional agencies," he says. "It's more that we're doing things that are new that nobody owns at this point." With social media being less frequently separated and more often integrated (as it rightly should be), the overlaps can be tremendous, involving everything from strategy to community management to media planning and buying.

For a brand manager attempting to evaluate what sort of agency and what particular outfit is the right one, "I don't think it's ever been more difficult," says Aaron Perlut, a cofounder of Elasticity. "There's been such a blurring of the lines, even between traditional advertising and PR firms, particularly as we all converge on the digital space." Elasticity, an independent shop out of St. Louis, is the duck-billed platypus of the marketing world. Part public relations agency and part digital marketing specialists, the agency waddled onto the scene in 2009 with its "triangulation" approach to digital media (including search), traditional PR and social media based on the assumption that these things do not exist in a vacuum. It was founded to fill the nascent gray area in brand marketing. It may have been one webbed-foot ahead, but the

'IT'S LESS AROUT RELYING ON TV AND RADIO AND PRINT AND OOH TO SPREAD AND DISTRIBUTE MESSAGES AND MORE ABOUT BUILDING SOFTWARE THAT TELLS STORIES," REI INAMOTO, AKQA

world is catching up.

Perlut says Elasticity often competes against ad agencies for digital work. "The onus has been put on brands to become content producers," he says. Weaving a creative brand narrative and producing content that supports it had been the exclusive domain of ad agencies for years, he argues, but "because of the blurring of the lines, many PR agencies and simply just 'digital' agencies are creeping into that space."

But to Perlut there is the problem of misrepresentation. Just because you can pound a nail into wood does not make you a carpenter. "There needs to be some clarity around what a 'digital agency' really is - what that really means," Perlut says. For example, "there's a lot of confusion out there because you've got agencies that [are] pitching their acumen in social media that are very good at building a community or building a tool to create a community, but not so good at driving traffic into the community so it can then engage and use the tool."

### Although digital has been seen in terms of media as a discipline going from seo specialists to social media practices - the slow realization that it is the ocean everyone is swimming in is causing some waves.

Despite the fact that social media evangelists are still standing on hillsides waving their smartphones and shouting about the Rapture - preaching the coming apocalypse of consumer control, the evolve-or-die-survivalists having retreated to bunkers somewhere outside of Boulder, and the M&A shrapnel raining down — the digital agency is alive and well, and likely will be for some time. It might just need to retire the words "digital" and "agency."

# Spend Quality Time with Some Real Moguls

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The digital economy and rapid growth of emerging markets are transforming the consumer-products industry. What's needed is a leaner, more agile structure that can adapt to an increasingly dynamic, fast-paced world.

### The Traditional Marketer

In our work with leading consumer-products companies, we've found that most marketing organizations have a similar structure: the chief marketing officer (CMO) sits at the top of the org chart, responsible for the company's marketing strategy and product portfolio. This portfolio is divided into separate lines of business on the basis of product type or consumer need. For instance, a large food and beverage manufacturer might have separate business units for beverages, desserts, snack foods, health foods and frozen dinners. These business units are typically divided again into categories that are led by directors who report to the business-unit heads. The snack food business, for example, might include categories such as chips, pretzels, pork rinds and beef jerky. Each brand within these categories has a brand manager, and - moving down the org chart - one or two assistant brand managers (ABMS), who provide dedicated support.

Then there are the specialists — people who are experts in specific areas of marketing, such as digital, social media and multicultural outreach. These special resources often consult, make decisions, and execute in their area of expertise and are either embedded within brand teams or sit together within a marketing services team.

All told, these different brands, roles, and responsibilities tend to result in an org structure that is five or more layers deep, with small spans of control — most managers have only two or three people reporting to them. This can lead to micromanagement and can limit the development and exposure of junior people. Since most teams work in independent brand silos, cross-pollination of ideas is limited, and teams often reinvent the wheel instead of drawing on existing knowledge or reusing previous work.

This cumbersome hierarchy is a major obstacle to decision-making speed, agility and overall effectiveness. Final decision rights are often far removed from the people on the frontlines running the day-to-day business, and approvals may require multiple sign-offs.

### **Lack of Strategic Focus**

But what really hinders the effectiveness of many marketing organizations is the complexity and lack of strategic focus that these structures create. Marketers within each brand team are expected to develop brand-specific projects and initiatives, which are often not aligned with the top strategic agenda. Few mechanisms are in place to ensure that projects are prioritized across brand teams in a way that drives forward the overall portfolio strategy.

One of the most visible problems that comes from this lack of strategic prioritization is the creation of hundreds of unrelated projects that do little to drive business results or competitive advantage in the marketplace. And each project affects virtually every area of the company. When a team wants to extend a snack brand with a new flavor, for instance, R&D creates the new ingredients and taste, procurement buys the needed inputs, sales reps sell the new flavor to retailers and get it shelf space, operations figures out how to add it to the trucks and get it to the distribution centers, and an outside ad agency develops a campaign. These activities are replicated over and over, for each new initiative, and most projects are treated with equal importance. As a result, many low-growth, low-margin brands end up consuming enormous resources and diverting attention away from projects with potentially higher impact that could push forward the strategic priorities of the business. For instance, of 400 projects at one consumer-products company, 100 were driving 99.5 percent of the value. The remaining 300 projects were just absorbing time and resources.

In addition to diluting focus, this traditional marketing model is costly — especially now that industry growth has slowed. To fund higher-value investments in advertising and innovation, teams must reduce costs by shedding management layers and unnecessary complexity.

### **Building a New Organization Model**

Despite the clear drawbacks of the traditional marketing organization, creating a new model is an effort that can't be taken lightly. But a number of forwardlooking companies are beginning to move boldly in order to define a new paradigm. Drawing on their insights and our work in the industry, we offer the following guidelines:

 Set and communicate strategic priorities. The CEO and CMO must clearly communicate the marketing strategy and priorities to all levels of the organization. As part of the planning process, work priorities and allocation of resources — including advertising dollars, R&D and people — must be set and rigorously adhered to according to these strategic guidelines. The planning process always involves difficult tradeoffs. But strategic focus is diluted when all projects are funded equally. Defining and communicating a clear set of priorities is the first step toward ensuring that valuable resources aren't squandered on low-value activities.

- De-layer the organization. The traditional marketing structure has too many management layers between the brand and portfolio levels and these added layers tend to increase cost and complexity rather than value. Before combining projects or teams under a more senior leader, be clear on the value gained by doing so. If the value proposition isn't clear, don't do it. Aim instead for fewer layers of management and greater spans of control. With this leaner structure, decision-makers are closer to the business and the CMO, resulting in greater responsiveness and overall effectiveness.
- Dynamically deploy resources. To ensure that resources are allocated to the highest-priority work, they must be deployed and redeployed on a dynamic basis wherever they can add the greatest value across the portfolio. Although larger, more strategic brands benefit from the specialized knowledge and continuity of dedicated resources and brand managers, smaller brands are often better suited to dynamic deployment. ABMs, for instance, might work on portfolio-level projects, specific brand initiatives, or ongoing work that's critical to the business, such as forecasting or market research. Rather than being permanently attached to a particular brand and brand manager, they explore a much richer set of experiences, work on top-priority projects, and can move from brand to brand and manager to manager, as determined by the strategic needs of the business and their own career-development objectives.

A critical benefit: Companies that can offer employees a variety of experiences and greater management visibility have an edge when it comes to attracting and retaining top talent. In this new structure, specialists are internal consultants rather than decision-makers or executors and should reside in centers of excellence that report to the CMO. This approach results in a flatter organization that can be more responsive to evolving priorities. And it also helps to break down silos, resulting in more sharing of knowledge and ideas.

Streamline processes. Convoluted work flows and unnecessary tasks can be a costly drain on resources and productivity. One marketing organization spent enormous amounts of time gathering data for the sales- and operations-planning process to improve forecast accuracy. Besides having minimal impact on accuracy, these efforts were a duplication of the work being done by the finance and supply chain organizations — mainly because none of the groups trusted the others to get it right. By eliminating this redundant shadow work and distilling the process down to its essential inputs, the company was able

to free up significant time and resources without sacrificing forecast accuracy. Analyze core processes and do away with any work-arounds, handoffs, time wasters and unnecessary steps.

Ruthlessly prioritize work.
As noted earlier, marketing projects have a tendency to proliferate, and most add little value. Challenge teams to cut out 20 percent of their projects, and revisit this housecleaning exercise on an annual basis. The key is to identify and eliminate any

MANAGERS
HAVE ONLY
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THREE PEOPLE
REPORTING TO
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PREVIOUS
WORK.



projects that don't support the strategic priorities of the business.

Define clear responsibilities. Given the layers of management, multiple decision rights, and the sometimes overlapping roles of specialists and brand managers in traditional organization structures, it is important to clarify the roles of brand managers, ABMs and marketing specialists. The brand manager should be the brand owner, with full decision rights over marketing and end-to-end accountability for outcomes. Any decision-making or execution by specialists or others outside the brand team should be very limited.

Consumer-products companies that follow these six guidelines are often surprised by the number of people working on low-value activities — and the sheer magnitude of the benefits that accrue when changes are made. Overhead reductions of 30 to 40 percent are not unusual. These resources can be allocated to strategic, growth-generating activities with far greater impact.

### Making It Work

As with any major transformation, managing employees and their expectations is perhaps the biggest challenge in restructuring the marketing organization. For people who no longer have employees, these changes can feel like a step backward. Being told that your project is no longer a priority is hard to take. Success in this new environment requires a shift from being a specialized, niche player in a stable, predictable role to someone with the willingness to learn a much broader set of marketing skills, develop a wider range of organizational relationships, and stay flexible to the changing needs of the business. During the transition period, many people will be unhappy with the increased visibility, revised priorities and changing project assignments. At the same time, companies will likely rethink whom they want to recruit into their marketing organizations.

To move past these obstacles, it is critical to clearly communicate the rationale for the changes and the benefits of the new model. But companies also must manage their people differently. This means defining clear career paths for every employee, setting up robust development programs, and making functional rotation a core element of professional growth. One consumer-products company has made "people planning" an integral part of its ongoing brand-planning process. Newly hired ABMs take on a two-year training curriculum that encompasses all the skills needed to become a world-class marketer. When the marketing organization sets portfolio priorities and brand roles according to strategic guidelines, ABMs are mapped to different assignments based on their skills and development objectives. This approach results in greater professional growth and ensures that the "rock stars" don't get all the great projects.

Moreover, management experiences must focus on high-impact project or process roles, where success is highly visible and measurable. Finally, new performance metrics and incentives can underscore what is important and encourage new behaviors, while making it clear that underperformance will no longer be tolerated. With time, an influx of new people will join the organization — and be energized and inspired by this type of environment.

The traditional marketing organization is too unwieldy and slow-moving to keep up with the demands of today's global business environment. To adapt to the new realities of slower growth and ongoing cost pressures, consumer-products companies must fundamentally rethink the structure of their marketing organizations. By dynamically deploying resources, streamlining processes and focusing on high-value work, they can do far more with fewer resources—and gain a lasting competitive advantage.

Gabrielle Novacek, Lucy Brady and Alexander Purdy are based in BCG's Chicago office. Stephen Moeller is based in New York. Adapted from Rethinking the Marketing Organization, 

The Boston Consulting Group, Inc., 2012





ROM THE LOOKS OF THINGS, it will be impossible to find positive political ads this fall. If, between now and November, you need to be reminded why you can't stand a certain candidate, negative ads will be as handy as your mobile phone.

Just as the Internet was an important factor in the 2008 election, geo-targeted mobile advertising is political advertising's new technological toy this fall. Candidates and Super PAC advertisers will exploit mobile not only to deliver their newest attack ads, but to draw supporters to a candidate's nearby rally, pass out campaign literature or just get out the vote on Election Day.

Or — and most crucially — raise money for campaigns.

In battleground states, app and email delivered messages will get hot and heavy. Given the presumed accuracy of mobile GPS systems and unrelenting political polling, mobile political ads will likely be customized.

That kind of pinpoint political advertising may prove to be valuable in this election — particularly in regard to the coveted undecided vote. As NBC's Brian Williams told Jon Stewart, "Forget about swing states, it comes down to 12 counties in the United States."

In June, Weather Channel Cos. enlisted Jumptap, the Cambridge, Mass.-based targeted mobile advertising sales firm, to sell its mobile app to can-



didates by touting the same localized experience weather.com sells to consumers. Weather Channel can localize political ads just like it can create different forecasts for Jersey City and Hoboken,

"We think of the Weather Channel as a network of 40,000 small local apps," says Pat McCormack, vice president of mobile sales and strategy. That's how many ZIP codes there are in the United States.

For all of its pinpoint ability, though, mobile-ad plays like weather.com offers probably aren't going to be used by many congressional candidates. Even though it may make sense — "\$1,000 a month would make a difference," says one political consultant — those campaigns don't have the money or the inclination to spend it on a new advertising source.

But for national campaigns, Weather Channel



and Jumptap will more finely hone these ads. To this end, they will use third-party data supplied by separate deals Jumptap has with Catalist, an organization that compiles information for liberal causes, and i360, which does the same for conservatives.

Catalist, for example, boasts that it has a database of 258 million Americans, containing 358 terabytes of information, which it claims is 17 times the amount of text data stored by the Library of Congress. Although i360's assets seem slightly less exhaustive - data on only 187 million Americans - the objective is the same when it comes to mobile advertising.

When the deal was announced, Jorey Ramer, founder and vice president of development for Jumptap, said, "Third-party data, combined with Jumptap's unique ZIP-code level targeting, has already proved to increase ad lift across top verticals. Our partnership with i360 ensures the right messages are served to the right audiences on their mobile devices."

That ability to fine-tune the message, McCor-

mack says, makes the Weather Channel app "like a virtual political lawn sign across the front yards of suburbia."

The Weather Channel, in all its forms, certainly has an audience. According to Magid Associates, on all of its platforms, Weather Channel has 163 million unique visitors a month. Nielsen says that monthly, weather.com alone reaches 30 million consumers. It claims to be the second-most used app on all smartphones, behind only Facebook.

At the end of last year, mobile advertising attracted 10.1 percent of all media use, but only accounted for 0.9 percent of the dollars spent in advertising, says research firm iMarketer. At this point, mobile political advertising, like most mobile advertising, is a story best told through anecdotes. As a business, it still hasn't grown teeth.

It seems everybody in the political ad business has heard how in 2010 Minnesota Rep. Michelle Bachmann bought site-specific advertising only accessible to iPhone users at the Minnesota State Fair. A Bachmann message accused her opponent of having voted to raise taxes on fair-goers' cherished beer and corn dogs. It was a geo-targeting smash hit.

On a more modest level, Jumptap (before it was workign for Weather Channel) placed targeted mobile ads for Mitt Romney during the Republican primaries in Iowa, New Hampshire and Florida, These ads were custom-tailored on the spot. And though it seems primitive today, Barack Obama used a text message in 2008 to name Joe Biden his running mate.

It can't be denied. Mobile apps are proliferating, and this presidential election will test them for the first time.

Paran Johar, Jumptap's chief marketing officer, says total spend in this election might only reach "into the seven digits" on mobile apps. That's not much, especially considering that the Center for Responsive Politics estimates \$2.5 billion will be spent on the election by President Obama and Mitt Romney (or their Super PACS). But it's a lot, considering that during the last presidential election, iPhones and Android smartphones were not common. The bigger money seems to be gravitating from desktop email to mobile email.

Eric Frenchman, the current chief Internet strategist for the Connell Donatelli agency's Campaign Solutions, ran Bachmann's digital efforts in 2010 (he was the one who cooked up that Bachmann state fair gimmick) and also ran John McCain's digital campaign in 2008. Frenchman predicts that four years from now, political fund-raising will be significantly changed —perhaps more than any other medium — by mobile technologies.

Increasingly, people are using devices — rather than desktop computers — to open email, and that may become a significant trend for political fundraising.

But, surprisingly, that's not necessarily for the better.

"Historically, people have been much more likely to open an email on their desktop computer [than on their smartphone]," explains Jascha Franklin-Hodge, chief marketing officer for Blue State Digital, a specialized digital advertising agency that deals mainly with Democratic candidates or socially liberal causes.

Now, he notes 30 percent open their email on their mobile devices, up from only 10 percent a couple of years ago. That statistic contains a potential problem.

"I don't know about you, but for me I'm much less likely to click on a link on a mobile phone than when I'm on a desktop," Franklin-Hodge observes. "It's going to load up slowly, and it's going to give me a [hard-to-read] page that probably doesn't have mobile authorization on it on the other side of the link. So we're kind of training people by virtue of giving them poor conversion experiences when

INCREASINGLY, OPLE ARE USING THEIR DEVICES rather than their DESKTOP COMPUTERS -TO OPEN THEIR EMAIL. AND THAT MAY BECOME Significant FOR POLITICAL FUND-RAISING. SURPRISINGLY THAT'S NOT NECESSARILY FOR THE BETTER.

we give them a poor experience on a mobile email.

"We're training them to not click."
And even if they do, contributing to a campaign on a mobile device is harder in practice than it is in theory. Mobile users might be outdoors, be in an inappropriate environment for campaign donations, in a hard-to-; aneuver place, or otherwise engaged. Even if a supporter would like to give, he has to first locate his credit card, then input the card number, its expiration date and perhaps the card security code, and finally, he has to write his name and address. "That's kind of a non-starter for most people," Franklin-Hodge says.

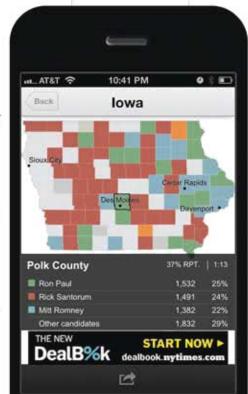
For campaigns and nonprofit fundraisers, "the mobile revolution should be really scary" because would-be contributors will be asked to give via a device that, in unique ways, will make it difficult for them to do so.

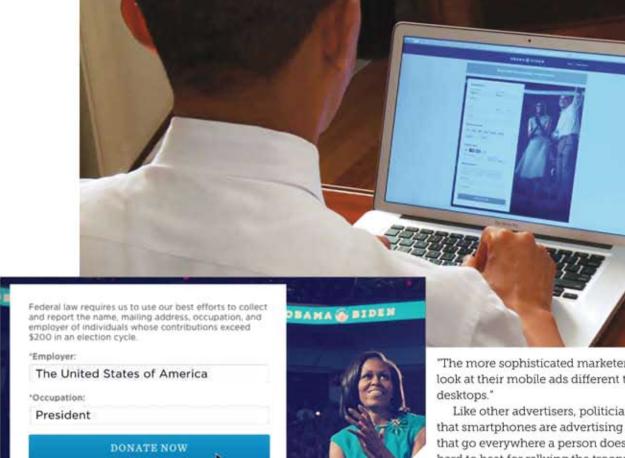
"I think it's going to lead to an overall decrease in conversions [contributions] unless people implement smarter solutions," Franklin-Hodge warns.

Of course, he wouldn't bring up this

snag, if he didn't think Blue State had a pretty simplesounding, user-friendly solu-

Blue State has devised something called Quick Donate, which creates an easy way for a campaign or fundraiser to automatically tap into a consenting donor's information, including credit card number. Much like Amazon, which retains a customer's information in order to facilitate purchases, Quick Donate permits fast transactions. Quick Donate also allows for a donor to respond with a text message stipulating a dollar amount for a





donation. The transaction happens in an instant. (The Romney campaign is said to be working on a similar plan.)

Rapid response is the main idea. "Our goal there is to eliminate the conversion funnel by making it a single action and not have to pull people along a complicated path especially when they are mobile," Franklin-Hodge says.

Even President Obama used Quick Donate to make a contribution to his own campaign in a YouTube video. "This is all pretty convenient," he says to the camera. The screen then "asks" him whether he would like to save his payment information, to which he responds in the affirmative.

Franklin-Hodge has "a very good point," says Frenchman, who has placed more than \$175 million in digital advertising for Republican candidates or conservative campaigns. "Email is still the driver of contributions for campaigns. A lot of people think Facebook or search or display ads [is a better motivator). It's really email. So, when we set up, we always make up our mobile donation page easier to fill out on your phone. You've got to think about the small screen."

Frenchman bets that four years from now, the mechanism to give via mobile will be even quicker. "The more sophisticated marketers will look at their mobile ads different than their

Like other advertisers, politicians notice that smartphones are advertising devices that go everywhere a person does. That's hard to beat for rallying the troops or garnerning contributions.

Weather Channel's McCormack says that 77 percent of its iPhone users go to the site on a daily basis. "We know people go to their smarphones before they even open the blinds. Many people turn off their alarm clock - which is on their smartphone — and flip on the Weather Channel app. So we're a habit first thing in the morning."

The downside is that mobile sites may engage their users, but the dwell rate isn't very high. So getting that banner message seen is still a crap shoot. New research from Hipcricket, the mobile marketing firm, says 35 percent of mobile users surveyed have "never engaged" a mobile ad. It's possible that mobile ads are only useful when consumers search for a location or are physically shopping.

If that's true, then getting the electorate to donate via their smartphones might be more of an uphill climb than anticipated. But in terms of getting or keeping voters engaged, that's a different story.

"You're going to see it heat up," predicts Jumptap's Johar, "after we start overlaying our third-party data on that inventory, where you can actually target by political affiliation. I think this is the year you're really going to see an evolution in terms of mobile advertising for the political vertical."



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### **VIDEO**

## **Video Goes**

Why online video will soon eat other media for lunch by Gail Belsky

F THE NEWFRONTS
HELD IN NEW YORK
CITY LAST SPRING
WERE THE OFFICIAL
COMING-OUT FOR
THE ONLINE VIDEO
ADVERTISING MARKET, it was

the party to beat all parties.
How many debs can brag
about having 11,000 guests
and a show-stopping
performance by Jay-Z at
their big do? Online video may
still be a sliver of the \$40 billion
ad pie, but if projections hold
true, it may be eating the other
media for lunch by the time next

year's NewFronts roll around.

Online video viewing and ad spending have been trending steadily - and sometimes dramatically - upward over the last nine months. The number of viewers between January 2012 and July 2012 rose 3 percent to 184 million, according to digital research firm comScore, while the number of video ads rose 40 percent to 10 million. Total reach hit 51 percent, and the average viewer was watching 25 percent more ads. The view from the money side is even better: Online ad spending is projected to reach \$40 million by year's end - a 23 percent increase over 2011, according to eMarketer. And by 2015, that number is expected to soar to \$7 billion.

So what do all the streaming stats and projections add up to for marketers? Everything. And nothing when it comes to the numbers that really count. While online video viewership and ad sales are soaring, the medium still lacks uniform ROI metrics to compare it to TV — a concern even for pioneer online advertisers. "At the end of the day, it's really about measurement," says

Greg Milner, director of global interactive marketing at computer maker Lenovo. "Is your ad working or not?" It's a problem. Half the respondents surveyed for the most recent Video State of the Industry Report by Adap.TV and Digiday stated that uniform standards were "very" important, and another 13 percent thought they were "most" important. That makes sense, given that the majority of respondents believe online video aligns more with TV than with online display. In fact, three-fourths said they would be planning online and TV together in 2013, while, nearly two-thirds said they believed that online video advertising is equally or more effective than the ads that show up on TV. But then again, without uniform measurements, what do they know?

If the marketers at Lenovo were concerned about the lack of standard metrics, it didn't stop them from jumping with both feet into online video advertising when they launched the brand's first image campaign, "For Those Who Do," in Spring 2011. Aimed at 18- to 35-year olds, the Saatchi-created campaign, now in its third phase, spans four screens: TV, computer, tablet and mobile. Along with TV, digital media was a big portion of the mix, and more than 50 percent of those dollars went to online video, according to Milner.

Not surprisingly, one of the key factors behind the online spend was demograph-

ics. The 18- to
34-year-old "Generation C" consumers
are the most connected
age group in America (followed
closely by 35-49)—representing
27 percent of total online viewers,
and 27 percent of visits to social
media sites and blogs, according

to Nielsen's U.S.Consumer Report. They also own 33 percent of the tablets and 39 percent of the smartphones in the U.S.

Another reason Lenovo went with online video was the availability of inventory, according to Milner. While TV has experienced an inventory shortage, online availability continues to expand along with the amount of online content being offered. This year has been a watershed for new online video programming. During the 14 days of NewFronts alone, YouTube announced it was adding 100 new channels of original content, spending \$100 million on content creation. Yahoo presented eight new original shows; AOL Digital Content unveiled six; and Hulu and vevo rolled out four apiece.

"There's been a massive investment in high quality original online video, driven by a huge demand from advertisers," says John McCarus, senior vice president of brand content at Digitas, the Publicis Group agency behind the NewFronts. "It is expensive to have true engagement and effectiveness. You need tools, high-quality content, and conversation around that content."

Engagement is the driving force for online video advertisers — and the most significant advantage that the burgeoning medium has over TV. Online video ads and branded content let marketers interact with consumers in a highly targeted way that no other medium can match. "Viewers are participating with





brands and with each other, facilitated by brands," says McCarus.

NASCAR.com's RaceBuddy, billed as an "online companion viewing experience," is just one example of the deep audience engagement that online video can offer. Presented by Nationwide Insurance, Race-Buddy showed live video of some of the events in the 2012 Nationwide Series, including enhancements to TV coverage. such as cameras positioned around the track, in-car cameras, and a mosaic view that allows fans to see all streams at once. It also featured a video

chat so viewers could talk during the race.

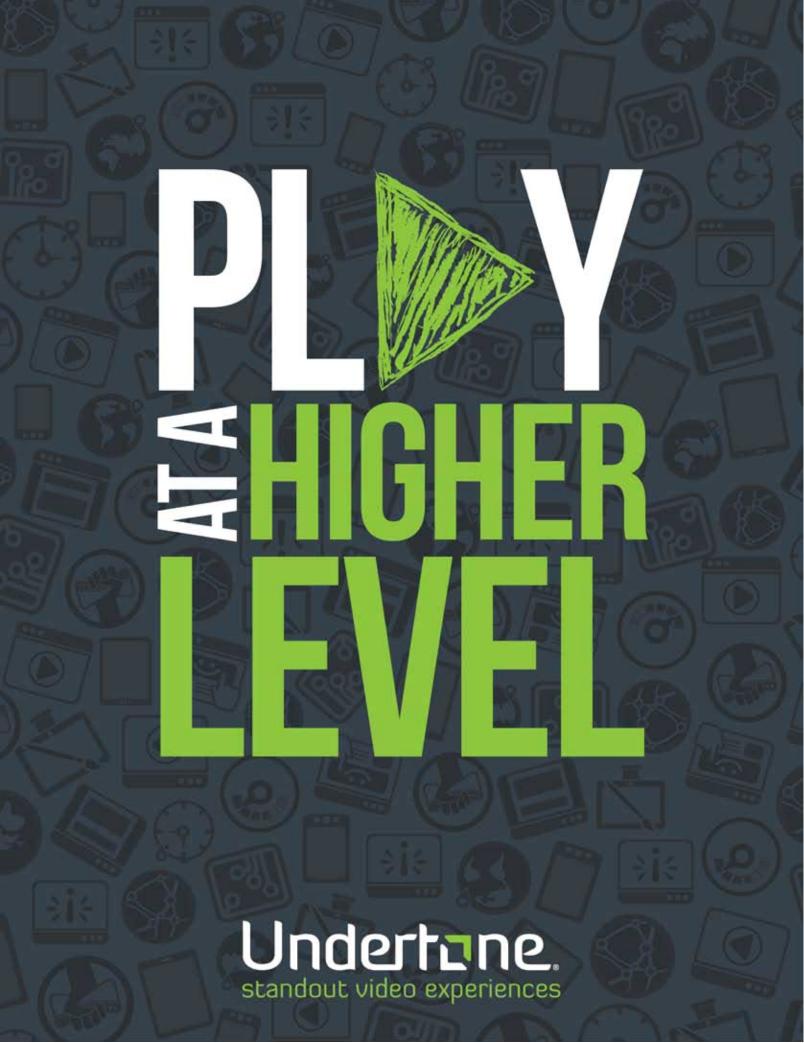
That's exactly the kind of conversation marketers want to have with consumers, according to Marc Jenkins, vice president of digital media at NASCAR. "Brands can build a relationship with fans when they are engaged in what they love. Marketers are really looking for an association with premium content. It's bigger than a pre-roll; it's about branded content consistent with the brand itself."

For marketers, investing in online video advertising isn't business as usual - nor is it business they want to simply turn over to their agencies to develop and execute. It's new, it's complex, and it has unparalleled potential. The desire to have a deeper understanding of the medium and a greater involvement in the process has led brands to hire in-house expertise, a trend many expect to gain traction over the next year.

"Marketers feel like they need more intellectual capability because agencies are struggling to move fast enough," says McCarus. "They need to rethink the teams, and how they're deployed."

The vast majority of advertisers aren't there yet, according to Tod Sacerdoti, CEO and founder of video advertising network BrightRoll. Sacerdoti estimates that 5 to 10 percent of marketers are highly sophisticated in their understanding of online video; 30 to 40 percent are average; and 50 percent are unsophisticated. "The average advertiser may not understand it, but they may not need to," he says. "They need to understand effectiveness, because then, you don't need to get into the philosophical argument - it's just the most effective way to buy media."

The few advertisers that have been in the space for a while are in deep. Understanding the medium as well, if not better than, their agencies, they are partners in all aspects of video advertising creative, strategic, logistic. "It's different; clients used to be consultative, rather than at the table," says Lenovo's Milner. That's not the right model for online video advertising. Now, marketers have "digital evangelists" on board to work with their agencies.



"We've got the luxury of having really smart partners, and that's how we view it - as a partnership," says NASCAR'S Jenkins. "The marketplace has evolved significantly, from all sides. The most successful marketers approach it as a content producer."

For now, most video advertising creative comes straight from TV spots, which works fine on three of the four screens: TV. computer and tablet. Mobile is another story - and another question mark. Advertisers know they have to be in the mobile space because viewers are, but they aren't sure what works. And once again, there's no way to know. The problem with mobile is the screen," says Milner. "How do you create the same experience? It's really difficult to measure the impact on mobile."

Lack of measurement hasn't kept marketers away, however, just as it hasn't stopped them from putting video ads on computers and tablets. Nearly twothirds of the respondents in the Video State of the Industry Report said they would place video ads on smartphones this year. For NASCAR and its advertisers. mobile measurement has been a non-issue. "The brands we work with have an appreciation for being across screens," says Jenkins. "This has been our platform. It's about con-

ENGAGEMENT DRIVING FORCE FOR ONLINE VIDEO advertisers AND THE MOST Significant advantage BURGEONING MEDIUM HAS ONLINE VIDEO ADS AND BRANDED CONTENT LET MARKETERS INTERACT CÓNSUMERS IN A HIGHLY TARGETED WAY THAT NO OTHER MEDIUM CAN MATCH.

necting around the event for us. It goes across sports and entertainment, tying in a partner's overall sponsorship and TV buy, and digital, with a focus on online."

For most advertisers. putting TV commercials on a telephone takes a leap of faith. But as the saying goes, you have to be in it to win it. "It's an environment where viewership is," says Sacerdoti. "Advertisers should be present and testing that environment. There's absolutely no doubt that if you're a top 200 advertiser in TV, you should be testing mobile.\*

Lenovo is doing so, but in limited fashion. "The inventory is not there in mobile," says Milner. "We've got tests going on, but it's all very small buys."

Until marketers have a better sense of the effectiveness of mobile video ads, they won't be spending money on new creative for the tiny screen. It's just not worth it. "We would love to have customized creative," says Sacerdoti, "but if you look at it, it's a small spend, with a small portion of budget allocated to it. Would it perform better if it had its own creative? Yes. But there's no reason to believe the existing creative wouldn't work."

Like everything else about online video, the reliance on existing creative for mobile is expected to change. And prob-

ably sooner rather than later, given the rapid rise in smartphone users in the u.s. As of March 2012, just over half of all American mobile subscribers owned smartphones, according to Nielsen, up from 38 percent in June 2011. More important, more than two-thirds of mobile subscribers between the ages of 25 and 34 own smartphones. As more video content and more eyeballs move to mobile, advertisers will step up their investment on the small screen, too. 'For now, all of our campaigns are adaptive of the TV, and we have an eve to make sure it works on the smaller screen," says Milner. "That's the process we do today, but we have to evolve as well."

So does the matter of measurements. But until there is a standard way to compare the effectiveness of online video ads and TV ads, marketers will just have to keep the faith. "ROI is critical to all brands," says Jenkins, "but from our standpoint, we have found that they are able to measure in terms of their own metrics, and it's enough. The brands we deal with have a very good understanding of the value: deeper engagement around what they're doing."

For all the advertisers testing the online waters. that's the ultimate measure of success, anyway.



#### Katie Couric 6 Okatiecourio

Single mom and soon-to-be talk show host. «Katie begins September or (Florinshour for more alone updates)



#### Let's Talk! @KatieCouric

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Beyond Lulz: Social Grows U

Between mobile, shopper marketing and consumer acceptance, the growth of social is about to hit warp speed by Carrie Cummings

#### Y CONTENTIOUS RELA-TIONSHIP WITH SOCIAL MEDIA IS MADE WORSE WHEN I'M REMINDED THAT IT'S ONLY IN ITS INFANCY.

You see, I love Facebook, Twitter, Pinterest, even Foursquare. I peruse my social media feeds every morning before I even think about opening a

tab for hard news. I know about my middle school classmate's new baby, that my favorite store is having a sale, that the un is in recess for the week, my favorite celebrity couple is having marital problems and that unemployment continues to rise across the nation. It's exhausting. It's exhilarating.

But as a media professional, or at least someone who pretends to be one for a living, I

pause and wonder, "where the hell is all this going, and when will it get there?"

Adam Kmiec, director, global digital marketing and social media at

Campbell Soup promises change is coming soon. "What we'll see over the next four years will be like nothing before it," he says. "Digital is finally going to grow up."

"We're going to see an unprecedented level of maturity and sophistication in the space, with much of it coming through the continuing consolidation and acquisition of social media startups," Kmiec says. That doesn't mean the proverbial lulz are letting up anytime soon, but perhaps they will grow stronger and maybe require a shave, because with its maturity comes a need for rich, meaningful content.

"Without a doubt, in the next few years, content creation will be the foundation of social media," says Persia Tatar, founder, Social Media Society. "Brands and marketers will



Pinterest

Walmart

St. Bearing | William

CONTENT CREATORS AND Consumers WILL SOON BE ONE AND THE SAME WITH MOBILE and an Ever INCREASINGLY Connected WORLD, WE WILL see everyone Become A Publisher OF CONTENT. not just a Consumer OF IT."

need to shift their focus from generating followers, which will still be important, to creating a rich. meaningful experience for consumers."

Kmiec agrees, noting that the content creators and consumers will soon be one and the same: "With mobile and an ever increasingly connected world. we will see everyone become a publisher of content, not just a consumer of it."

What does it

mean for marketers? "This will bring about a need to be faster in how we satisfy the demand for rich content and how we convert all those tweets, likes, comments, posts, photos, et cetera into meaningful insights," says Kmiec.

Aside from shifting to quality content creation, social media will also be a catalyst in

rebranding tiny startups all the way to big-time celebrities. In fact, it's already happening.

Take Katie Couric, for instance. Long known as the cheery morning anchor for NBC's Today Show, she transformed her image to the more serious, unbiased and stoic journalist when she took the late shift. It was a while before anyone recognized her as such. But that was before social had a seat at the rodeo. Now, people can rebrand themselves anytime they get - or want a new gig. Which is what Couric is doing to prep for her latest transition to talk show host.

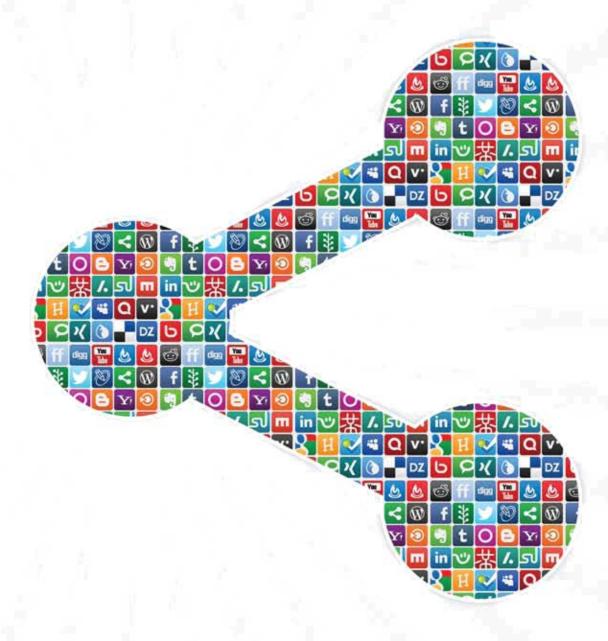
Couric has leveraged Twitter to her advantage in the campaign to redefine "Katie." The woman who famously goaded 2008 Vice Presidential nominee Sarah Palin into waxing prosaic about her state's proximity to Russia, thereby effectively sealing a Democratic victory, doesn't hold on to past accomplishments when describing herself now. Her Twitter bio is simple: Single mom and soon-to-be talk show host. Decidedly more relatable than "changer of American politics, schmoozer of celebrities and gazillionaire," right?

\*Couric is now tweeting pictures of her daughter's birthday party," notes Marcy Q. Samet, EVP, managing director, MRM, a New York-based top digital global agency, "Why? You need to get to know 'Katie' in your living room in the afternoon vs. Katie Couric anchoring the evening news. Social media is redefining her brand."

But social itself continues to transform. It's not just a social space, but a social marketplace. Steve Minichini, president, interactive marketing, TargetCast tcm, a New York-based independent media agency, promises that shopping will grow organically from existing platforms and is the next frontier for social.

"Consider what happened with Pinterest," he says, "and how quickly it picked up, and how Tumblr and WordPress have done a nice job of really carving out their area of a social marketplace and how that gives consumers a voice. Where I see it really heading and expanding has a lot to do with shopper marketing more than anything else. Mobile and smartphones are heavily utilized but the technology hasn't

# THERE'S POWER BEHIND THE ICON.





For Advertisers • Agencies • Publishers • Developers • Consumers

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expanded to where you've seen it explode in other parts of the world - there is a lot of buzz around mcommerce - how that connects with Twitter and Facebook and other geolocating in-store apps." The technology is there and will be utilized in the future. When that happens, social shopping will really take hold.

In fact, you know it's big when even Walmart wants to play. The world's largest retailer recently offered its first-ever Pinterest contest, offering \$500 gift cards to winners who showcased Walmart products that help them live a greener life.

"As consumers use their phones more to pay for products, they are going to connect more for referral services in the social space - 'yes, I bought this product and loved it' - and have this close in-group that would validate a purchase and recommendation."

"There are so many options for everything you want to buy that you have this paradox of choice," says Tatar. "Social shopping really helps break down that barrier with product recommendations and that is only going to grow in the coming years."

There is always risk, though, especially with saturating the market.

Minichini reminds us of the failure of the daily deal concept, bringing to mind Groupon's epic IPO flop, "Look at LivingSocial and Groupon and how fast they've fallen off dramatically. That has a lot to do with social sharing, almost crowd sourcing. Both were lightning hot last year and now it's really a much different scenario for both of them. The one-and-done offer became too saturated and they need to do quite a bit to redefine their offering to get themselves credible and hot again."

In a time where tech evolves faster

MARKETERS AND Brands NEED TO REALIZE THAT WHILE IT'S IMPORTANT TO RECOG-NIZE AND Learn the PERSONAL BEHAVIORS OF SOCIAL MEDIA USERS, THE KEY TÓ WINNING THE FUTURE OF SOCIAL IS KNOWING THAT THOSE BEHAVIORS ELL THE COLLECTIVE STORY OF CONSUMERS.

than we do, it's hard to tell if a social brand can even rebound from a devastating blow like that. When an image is damaged and consumers flee, do they ever return? It's hard to say, but there is precedent for complete brand regeneration, but it's not always successful. Does anyone remember Myspace?

Minchini says, "Nothing lasts forever. If you think about what Myspace was at one point and what it became and now how it's reemerging, that's a true testament to how fickle consumer interest can be. But it's really tough for me to think about Facebook going away. Redefining itself, sure, every business model does."

Though it's hard to predict consumer interest, social media makes it easier for marketers to predict consumers' behaviors. In March, sas and United Nations Global Pulse released results from a joint study where they analyzed two years worth of social media data from the U.S. and Ireland to get a sense of how people were coping with unemployment.

According to the study, "increased chatter about cutting back on groceries, increasing use of public transportation and downgrading one's automobile could, indeed, predict an unemployment spike."

Why should marketers care about a study involving social media and unemployment mood? Marketers and brands need to realize that while it's important to recognize and learn the personal behaviors of social media users, the key to winning the future of social is knowing that those behaviors tell the collective story of consumers.

Kmiec sees a tough task ahead: "As marketers we'll need to learn how to run a marathon at the pace of a sprinter.\*

Better hit the gym.



# DISPLAY

# Transformative Targeting

At last, truly targetable display advertising reaches scale. Sarah Mahoney reports

#### IFE INSURANCE DOESN'T EXACTLY SEEM LIKE A LIKELY SPOT FOR DIGITAL INNOVATION.

After all, it's an American industry that's actually older than America (the Corporation for Relief of Poor and Distressed Presbyterian Ministers, eventually owned by Nationwide, started selling policies in 1759). Sales of term life insurance, the most commonly owned, have been in decline since 1960.

And while digital channels have done wonders for consumers' need for instant gratification, buying life insurance takes practically forever: It's typically a six-week path from a customer's first inquiry to an actual

policy. "Of 10 people who initiate the process," says Amir Weiss, vice president of digital for MetLife, "less than one actually winds up buying it."

An additional problem is that the industry has gotten increasingly sophisticated at assigning risk, thanks to blood work and exams and physicians' statements, "and that's been at a cost of becoming too expensive when you're selling insurance in lower amounts, effectively driving the business

upmarket. As an industry, we've been less successful penetrating the middle market. So even though many middle-income people want and need the product, they were finding it difficult to buy," says Weiss.

Digital efforts are changing all that, and in addition to initiatives begun over the last several years, the company is currently moving forward with its most focused, intricate method of display advertising yet. (MetLife is the largest advertiser in its category, according to SNI. Financial, and spent \$540.5 million in 2011, up 22.8 percent from the prior year.)

"For us to go out and find



people that have been left behind this way is enormously important for us," Weiss says. "We're a company that has relied, pretty much, on the same distribution channel for the last 140 years."

Essentially, for digital innovators like MetLife and Merkle, its agency, breakthroughs in data are changing marketing funnel-nomics, making it easier for them to find the prospects at different points on the path to purchase, and target them with banner ads that will guide them along the way.

MetLife was able to determine that "a certain type of consumer goes through the purchasing funnel at multiple time higher than others," Weiss says. Specifically, it was able to identify households with \$100,000 or less in income, and with a preference for working with a company in a direct way, either over the phone or the Internet, with subgroups falling into categories like, "concerned moms" or "young professionals. "Because we have very specific ways of retargeting these people, we can bid in a way that is much more efficient," notes Weiss. "We're fighting fewer eyeballs."

"That's what's really exciting," says John Lee, senior vice president and general manager of Merkle's insurance and wealth management practice. "Truly targetable display, with the inventory that's available and the capabilities from an ad tech perspective, is really reaching some scale at this point, and

picking up speed. We can drive more precise high-performance display than ever before."

A favorite example of Lee's is a consumer who starts buying diapers on Amazon. "There are a ton of inferences you can draw about the life event that is going on and what it means, and Amazon has something like 150 million users. That's a targetable universe that once upon a time, direct marketers would have killed for. If you can marry a platform back to your ability to have all your customer data, and then bring all those pieces together, you can create unprecedented business results. It's the No. 1 thing we're all talking about."

And of course, the rise of real-time bidding buying systems, through automated trading desks, is also fueling the transformation. There's also a massive amount of consumer data now available to advertisers of all sizes, from a company like MetLife to the smallest Web site.

We've come such a long way from the early days of display, where we would call a Web site owner and negotiate," says David Booth, a consultant and founding partner at Cardinal Path, a digital marketing agency, and coauthor of Display Advertising:

An Hour a Day. "With RTB taking in information from so many data points, we are now bidding for those slots in about a third of a time it takes a human being to blink. It's truly amazing."

Over and above those changes, "when you add in this enormous amount of thirdparty data that comes from browsing patterns being tracked, advertisers of all sizes can learn so much. John Wanamaker would be very happy with display advertising," says Booth.

#### RETARGETING ATROCITIES

But because the targeting display business is still in its relative infancy, practitioners say there's a lot of room for improvement. "It is a nascent industry, and many marketers don't understand how to use this technology. They've got a lot of data, and they are not even using it yet," says Booth. "And some are using it badly. Here's one I hate. I shop, and put something for \$10 in my cart. Right after I leave the site, they start chasing me with offers, including the same product, but now it costs \$5. So instead of feeling good about the purchase, now I feel like this company just stole \$5."

Excessive retargeting is Lee's pet peeve, as well. "Everyone says retargeting is the most efficient method to reach people, but then they will absolutely kill you with it. Of course, the agency would probably say it still outperformed, but hey, you probably would have done even better if you didn't annoy the crap out of everybody and cost me 30 percent of spend that I didn't need after the first



four times. Hopefully, the industry will get better at that. More companies will realize that just because you can do something doesn't mean you should."

The flipside, of course, is the gratification that comes with a company getting its display messaging right. "I bought a big bag of dog food online recently for delivery, about a month's worth," Booth says. "And sure enough, at the end of the month, I started seeing dog food offers - that's smart retargeting."

And as those offers smarten up, Booth thinks consumers with privacy concerns will be less

concerned about

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the world,"

Booth says.

"Today, our

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issues around

as people begin to realize they aren't being targeted personally - for example, by Social Security number - but by behavior, they will mind less. They will realize they like the Internet being free, and that means advertising. And they will decide that if they have to see ads, they might as well see ones that are relevant to them."

#### EVOLVING FORMATS

While the industry is enjoying the thrills that come from innovations in collecting data to drive smarter buying,

TARGETABLE DISPLAY, WITH THE INVENTORY IAT'S /AILABLE AND HE CAPABILI-ES FROM AN TECH erspective, EACHING ome scale 'HIS POINT ND PICKING UP SPEED. WE CAN DRIVE MORE RECISE HIGH PERFORMANCE DISPLAY THAN EVER BEFORE. JOHN LEE, MERKLE

and then smarter buying via RTB, Lee concedes that conversations about the actual formats used in display are pretty tame by comparison. But even there, he sees innovation ahead. "We're seeing clients test the video they'll use for display alongside TV. There's a lot of convergence."

But yes, the actual display advertising is still pretty dull. "The industries

for whom display has to be accountable? They don't care what it looks like," says Lee. "Time and time again, it's often the ugliest and plainest creative that wins."

Weiss agrees. "In our testing, we continue to get reminded that people want a straight message. Our best advertising is very clear about what it might cost you, and what you should expect in the buying process."

But as marketers continue to test the best display methods for their business model, "there is a huge opportunity," says Booth. "With the rise of mobile, the mobile app, the tablet and the minitablet, advertisers are really having to differentiate their methods, adapting and reinventing as they go."

Adds Lee: \*Display, through integration, truly has the potential to be the most accountable digital method there is."

# **Banner Days**

A veteran looks back on nearly 20 years of what's gone right - and wrong - with display advertising by Bruce Henderson



For marketers and publishers, banners were hailed as advertising nirvana, providing highly targeted, transactional display units that could be monetized and monitored - all in real-time. For consumers, banners were perceived as novelties at first, but quickly devolved into Web page irritants, thwarting user experience and cluttering otherwise elegant site designs with flashing, blinking nonsense. For creative people, banner ads were (and still are today) both a challenge and an opportunity. It's a shame that so many of them are odious.

Despite general disdain for the banner ad, though, it's a digital display stalwart that's probably here to stay. At least for the foreseeable future. Thankfully, a lot has changed in the years since the first banner ad appeared online. Credit Moore's Law for facilitating much of that change: significantly increased bandwidth, better technological options, cleaner design, and a more strategic and disciplined approach to messaging consumers online have all contributed to the rise (or rebirth) of the once reviled Web banner.

But let's take a step back.

As industry legend has it, the first commercially viable banner ad appeared on October 27, 1994, on hotwired.com, which was back then the online home of Wired magazine. The advertiser was either AT&T Corp. or Coors Brewing Company's Zima brand, depending on which source you choose to believe. Most people, however, credit AT&T Corp.'s inaugural banner ad, which ran at a measly 468-by-60





pixels, as the shock troop of the digital advertising revolution.

Since then, digital display advertising has grown to become one of the biggest - and arguably one of the most important - channels for marketing. According to eMarketer, the rise of digital display has been supported largely by increased investment in banner and video ads. Advertisers spent an estimated \$6.23 billion on banner ads in 2010, which grew to \$7.61 billion or 24.3 percent of total online ad spending in 2011. By 2015, banner ad spending is expected to reach \$11.73 billion.

Digital display ads have progressed from simple, pedestrian banners to rich-media ads that could easily be mistaken for actual Web site content, complete with streaming video, HD graphics and interactive features.

This evolution has brought both people and practices from the software development discipline to advertising. What began as an uneasy courtship progressed into a longterm relationship, and with the advent of widespread, high-speed Internet access, the partnership between advertising and technology looks like it will be everlasting. And unlikely as it may seem, the banner remains an often-maligned but resilient component of the digital advertising toolbox.

Here are a few highlights (and lowlights) from the quick, and sometimes scattered, evolution of digital display advertising.

Bruce Henderson is chief creative officer at G2 USA. In 2006 Henderson was the recipient of the first-ever OMMA Award for Best Use of Video in a Rich Media Banner Ad, for Ameritrade "Marathon." And he still likes banners. 1995 Within a year, banner ads gained so much popularity that DoubleClick — the original banner measurement and placement firm — was created, heralding the profit potential of digital ads. Following suit, InfoSeek and Netscape began selling ads based on cost-per-impression, versus the pay-per-click model that was often used by first-mover online advertisers. AT&T also upped the ante in 1995, creating an interactive banner that allowed users to send a message through a virtual pager that would be displayed for the world to see within the banner.



Taking digital display advertising to a new level, Google unleashed AdWords, a pay-per-click service accessible to small- and medium-sized businesses that did not necessarily have access to an agency. Though small in its beginnings, AdWords gave prominence to performance-based ad models, and today accounts for a lion's share of Google's ad revenue.

#### Have you ever clicked your mouse right HERE?



Hotwired.com ran the "first" banner ad for AT&T Corp. The modest banner used a simple call to action with copy that read, "Have you ever clicked your mouse right here? You will." A humble beginning, but echoes of this thought can be seen in Google's "Watch This Space" campaign from 2010, Subsequent display campaigns on hotwired.com featured banners from Coors' Zima brand and Club Med.

By 1996, digital advertising was becoming such a hot advertising medium that the newly founded Internet Advertising Bureau (which later became the Interactive Advertising Bureau, or the IAB) established the first standardized guidelines for online ad units. During this year, the first animated banner ads were released by AT&T and The College Network. AT&T also released the first interactive image, which considered a user's needs or preferences.





The early years of the new Millennium gave birth to pop-up and pop-under ads, the bane of nearly every computer user's existence. These ads were initially effective, with their guick and novel calls to action proving to elicit response

more often than static banner ads. That novelty quickly wore off. Today, most computers have pop-up blockers and the ad format is more synonymous with viruses than with cutting-edge digital-marketing practice.

By 2007, the banner ad seemed to lose its effectiveness, leaving marketers in search of other online solutions. But the next generation of digital display advertising - skins, non-interrupting ads, and timed pre-roll ads shown before video content had been taking root for a few years. This form of advertising allowed users to enjoy content uninterrupted, while seamlessly integrating messages about products, brands and services. These types of ads continue to this day, and have become more popular on free video sites, including YouTube, Hulu, and a number of news sites offering video content.

A landmark year for digital advertising, 2005 began the era of ads that foster interaction between brands and their target consumers. With one click, a banner ad would become a minisite that held a wealth of information, guizzes and games. These ads also began to incorporate small-scale video. This year was also one of the last quiet years in terms of digital innovation — in 2007, the digital display space started its ascent as one of the most desired placements for advertisers.

If 2001 was the

year of the pop-up ad, 2008 became the year of the ubiquitous social media ad. Popular social networking sites including Facebook, MySpace, as well as popular search engines including AOL and Google, begin to roll out self-service and engagement ads from a number of advertisers. These ads were the precursors to the hotly debated targeted ads that soon followed, inciting discussion about just how much privacy Internet

users were entitled to. Streaming video also became a possibility

for advertisers, with GE, EyeWonder and Akamai Technologies leading the way.

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#### WestchesterCo Bucket List



365 Things to do in WestchesterCo. One huge coupon emailed daily.

Major players, including Google and Yahoo, were among the first to adopt targeted ads that followed users' Web searches to better pinpoint their interests. But, as advertisers discussed the option of highly targeted ads, the Federal government stepped into the privacy debate. In conjunction with the Federal Trade Commission, industry trade groups (including the 4A's, ANA and the IAB) encouraged advertisers and agencies to use self-regulation to protect consumers' privacy. Also of note, major Web sites began to transition from banner ads to those within their sites' content, offering a smoother experience for users.

2010 In 2010, major site publishers including Yahoo and AOL launched new ad formats to make



more user-friendly, yet effective, ads. In September, Yahoo unveiled an expandable unit offering social tools, which took over the Web page and allowed users to flip through content like a magazine. Meanwhile, AOL revealed Project Devil — an ad unit

that could host photo galleries, videos, coupons, social network updates, text messaging and maps. Joining in this trend, Hearst Magazines launched ad units that featured real-time streaming HD video. Gillette's Venus Bikini Kit was the first to use the format on cosmopolitan.com.

# Move. Earn. Win.\* Move. Earn. Win.\* Week Earn. Win. Week Earn. Win. Win. Earn. Win. Wi

#### **Banners I Love**



It's not always easy to say why a banner ad grabs someone, and why it fails. But here are four of my all-time favorites, and why they've stuck with me:

#### Brastemp Water Purifier (2005/6) Agency: Agencia Click (Brazil)

This banner is deceptively simple. The running water almost begs the viewer to engage with it, and in doing so you are delivered a very simple message. A water purifier is the subject of this piece, and that product (and its benefit) is kept in the forefront at all times.



#### FedEx: Just In Time (2005) Agency: DM9 DDB (Brazil)

Nothing particularly new in a banner reading the system clock of your computer, but the use of the hands moving boxes that ultimately represent time and timeliness is a particularly memorable way to convey the message. It's a really smart awareness piece

for the FedEx brand.

#### NHS: Leg Cross (2007) Agency: Grand Union (UK)

It's no revelation that sex has driven the evo-



2011 With many sites shying away from using banner ads by 2011, the digital display ad no longer focused on a call for action, turning its attention instead to consumer engagement. To further drive this home, the IAB introduced new ad units called "Rising Stars." These units were larger than previously established units, and allowed



room for videos, games and other elements that fostered interactivity and engagement. Social media sharing buttons also become universal, as a vast majority of news and entertainment sites offered consumers a chance to share content via their social network profiles.

As we head into the second half of 2012, there are fewer technological limitations hampering the creativity of digital advertising than ever before. But unbridled creativity can breed chaos. So to ease the potentially bumpy transition to newer, more advanced online display formats, the IAB released a revamped version of its industry standard guidelines, which was last updated in 2003. The 2012 portformats, as well as plug-and-play DIY units that many advertising platforms have released over the past few years. With these guidelines, Web sites look less cluttered for a better, more readable and more desirable user experience.

lution and popularization of technology since the advent of the camera. This banner uses the foolproof hook of sexuality to convey an important message about STDs. It's a great use of the difficult skyscraper format and rollover/expand functionality.

# Stride Gum: Be Ridiculously Long Lasting (2011) Agency: JWT NY

A banner that challenges the user to stay engaged for a long period of time. One person apparently did so for 67 minutes. What I like about this ad is that the engagement is tied to a product/brand/campaign idea: that the

flavor of Stride lasts a long time. For that reason, I like it better than the Cannes-winning Pringles ad that used a similar technique in 2009, BH









DIRECT RESPONSE

# **Taming The Data Beast**

Design by platform and gamification are helping direct hit its targets, despite its data problems. Laurie Petersen reports

AMING THE BIG DATA BEAST is the #1 thing practitioners mention when asked to identify the trends in direct response marketing.

What direct response actually is these days ranks as #2.

For the purposes of this discussion, we're using a wide-ranging definition that encompasses anything a marketer does with the hopes of stirring active engagement and participation by the

consumer. That includes email, social, mobile, certain forms of display advertising, search and even direct mail.

#### NOW, ABOUT THAT DINOSAUR DIRECT MAIL ...

There have been rumors of physical mail experiencing a revival due to its sheer novelty factor, but no compelling evidence exists to show marketers are returning to a vehicle that rises in cost and yields a diminished return on investment.

"I don't get into any conversation these days where a client is saying we have to do more mail," says William Burkart, vice president of Acxiom's global agency services in the San Francisco office. "The only think keeping direct mail at its current levels is having no opt-in email address."

Deliverability also has to be a concern for any direct mail-dependent company as the cashdeficient u.s. Postal Service contemplates a 5-day delivery week. And with Uncle Sam looking to trim costs, it's hard to imagine the government won't take some kind of action within the coming year or two on the long-subsidized bulk mail rates that make direct mail campaigns viable.

#### LET'S GET BACK TO THE BIG DATA BEAST.

The multiplicity of channels producing a firehose of data sounds like an opportunity for marketers to gain insights to use for product development and integrated messaging. But it's still a far cry from fairy tale to reality.

Taming really means capturing, sharing, then figuring out how to glean true insights and ask the right questions. There is such a thing as optimizing for the wrong variables.

A recent Corporate Executive Board study of nearly 800 marketers at Fortune 1000 companies found the majority still rely more on intuition, using data for just 11 percent of all customer-related decisions. And those who do use data, the study found, are likely to do it badly or too aggressively, adjusting for every little blip in the data.

"How do I figure out what to do with data? How to manage it and drive insight?" asks Acxiom's Burkart.

For as long as there's been talk over the past

few decades of "one-to-one marketing," there's been acknowledgment of silos, turf battles and an inability to ask the right questions, says Jim Sterne, founder of the eMetrics Summit.

Amazon, Dell and eBay are doing it well, says Sterne. Ecommerce companies have a leg up on brands because they have the direct relationship with their customer and are often organized to maximize data.

"Then someone like PbG has so many different products and data collectors, they're never going to get it together," Sterne adds. But they're

not alone. Mid-size companies actually stand a better chance of making it happen.

"Things get bogged down in reality. Implementation, integration and who's going to pay for it. It's months on end," says Sterne

Still, the promise of merging all sales, marketing, and social media data into one actionable pool to implement solutions online and offline remains a goal.

"If I'm able to tame the big data beast so I can connect my offline data with my realtime data, I'm way ahead of the pack," says Michael McLaren, president of MRM East and chief client solutions officer.

#### PEOPLE ARE PLAYERS AND GAMIFICATION TECHNIQUES WILL CONTINUE

Gabe Zichermann, CEO and founder of Gamification Co., is the source authority on the technique.

The drive to gamify all kinds of marketing is driven by the need to achieve scale — principally through the use of virtual rewards and viral customer acquisition.

As the world gets more game-like and interruption-driven, it becomes ever more important for direct marketers to learn the techniques of games to cut through the noise and engage.

"What's emerging at the intersection with gamification are smarter contests, smarter sweeps and interesting pivots that use social media in concert with game dynamics to drive cheaper (and more viral) results," Zichermann says.

Ford's Facebook-focused campaign for the TV show Escape Routes is a good example of the concept, he says.

Overreliance on badges is tapering off, Zichermann says, as marketers understand this recognition technique is no longer sufficient to drive consumer engagement.

According to calculations by the Gamification Co., gamification is on target to hit \$2.8







billion in direct spend by the year 2016.

Instant gratification will get more instant, says McLaren, of MRM.

#### DESIGN BY PLATFORM BECOMES EVEN MORE IMPORTANT

It's no longer ox to wing it for mobile. As consumers use mobile devices increasingly to make purchases, as well as consume content, optimizing the experience on each device is no longer an option.

While clicking on mobile ads isn't expected to go anywhere soon, using mobile apps to make purchases is becoming mainstream.

In some cases, the technique of responsive design is being used to create all platforms at once, starting with the most important elements visible on mobile and working back to the full website.

The new Starbucks website is an example of responsive design in action.

During the Olympics, smart devices were a major platform for downloading video. According to comScore data, 60 percent of visits to the official London 2012 Games website and apps came from mobile devices and 45 percent of NBC video requests came from mobile. In 2012, consumers will watch 30 billion hours of video, McLaren notes, and there is an opportunity here for DR messaging in the right context.

Building the entire experience around the device and not only customizing intent demonstrates respect for the consumer, McLaren says. "Respect my time and my business. As smart

phones become the lingua franca of the web and primary communication tool, a lot of people will be predisposed to act. If you can hit it, wow, it's a big bang."

#### TRIGGERED EMAIL AND PERSONALIZATION

What data should be doing is allowing better forms of marketing — as in triggered emails and personalization. As marketers develop a more comprehensive understanding of behavior patterns, it is possible to target email campaigns to recent actions and activities.

With email being so cheap, there was little motivation to target. But given response rates falling because of massive clutter, the trend is away from volume and using data to know more about the email recipient and more targeting.

"We can now include social data," says
Burkart. "If I know I have a more brand-loyal recipient, I know my success will be higher
(based on number of likes, tweets, favorable
mentions across the ratings engines.) So if I pick
between you getting it and Jeff, if I know Jeff and
his social profile, my chances are better. I know
my index. Do I know your age, income, home
status, value of home, etc.?

Across all the emails Acxiom has launched, it has just crossed the 50 percent mark for email

being opened on mobile devices smart phones and tablets. And the ability to optimize is better than ever.

"Now we can send an email on a Monday morning in a structural test for subject line, content, call to action and creative. With all these test cells triggered, within an hour the system can determine and continue to run the winning campaign. It's a major driver for efficiency," says Burkart.

Social graph data incorporating an individual's friends' interests gives marketers an opportunity to create targeted messages that encourage customers to share with friends via email or on social posts.

Younger consumers are more comfortable with the implicit commercial trade-off between giving out data and receiving something they want in return. Personalization is fine so long as it doesn't get too creepy.

Some categories - such as health - may be ones where recipients never become comfortable receiving customized ads and alerts. Hello, cancer patient.

#### INTEGRATION OF MESSAGING

In an ideal world, messaging will be integrated whether tweet or text or display ad. But it's tough to do in a real-time environment.

"Social and mobile has everyone's attention right now," says Jim Sterne. We want to reach out to our shoppers omnivorously.

It's a trend called omnichannel or transmedia. It's storytelling.

"If there's a new movie coming out, you want to make sure the characters in your story are tweeting and blogging," Sterne says. "People use iPads to read reviews. They don't think of the iPad as a channel."

It is now technically possible to tap all sources based on how you arrive

IF I'M ABLE TO TAME THE BIG DATA BEAST SO I CAN CONNECT OFFLINE DATA WITH MY REAL TIME DATA, I'M WAY AHEAD OF THE PACK.

at a site and click around what you say and what they are saying. You can give your messaging more relevance through machine learning.

Runa, for instance, is one company that delivers the most profitable automated real-time offers by leveraging big data and predictive analytics.

Sterne says he saw a system recently that analyzes websites for keywords and automatically generates content on the fly for a category you didn't even know you needed.

Burkart says data management platforms (DMPs) are really the next great breakthrough in targeting. They allow you to gather landing page, clickable banner visits and website Facebook likes. All those disparate data points are being gathered in a compliant way, he maintains.

#### RESPONSIVE DESIGN AND DESIGNING FOR DEVICE

Not only do things look different on different devices and multiple screens, the way people use each one alone and together requires a different approach to design.

Another major trend is responsive design where things automatically configure to look right on the device you're on.

#### THE EMERGENCE OF SEO-CIAL

"Search and social components are becoming seo-cial because you really can't have success in seo without some social component," says Marc Engelsman, director of strategy and client relationships at Digital Brand Expressions, which is agency of record for SEMPO's social media programs.

#### SEARCH RETARGETING WILL CONTINUE

While search was historically a direct response tool and display was



It's now all about data, but anyone can count stuff. The shrewd digital marketer will make sense of the math and make killer decisions.

Register now for OMMA Social and become that rarest of corporate heroes: the mastermind who delivers measurable social media ROI to the C-Suite.

> **OCTOBER 25, 2012** LOS ANGELES

on-direct response, that has changed with the big trend of personalized retargeting. If I go to Zappo's and look at black patent leather shoes, suddenly those ads appear everywhere.

Google's revision of its privacy policies earlier this year will now allow them to store data across its entitities. That has big implications for search retargeting, says Antony Chen, who was in the Yahoo Response advertising division, and now works on a startup he says will marry online data with offline.

Facebook's introduction of ads based on cookies will also make that a viable direct response advertising channel for the first time, Chen says.

#### CONTINUED PUSH TO MOBILE

To what degree is sms or text a viable marketing communication? Contextually it can be for relationships versus prospecting. Text is going to become an appointment arrow in the quiver of CRM.

Look at the presidential candidates, says Burkart. Opt-in push messaging is now the way many are finding out about vice presidential picks.

"Relationships via smart phones will definitely grow," he predicts.

#### THE NETWORK OF ONE

Digital natives have abandoned programming designed for them and are establishing their own personal networks.

IT'S MORE ABOUT CONTEXT Digital is a fundamental driver in the evolution of engaging with the customer base and has moved to more of a CRM-driven richer customer experience. This combines offers with content and utility. Building loyalty and driving deeper engagement, says MRM's McLaren.

#### HYPERLOCAL TARGETING

The growing penetration of location-sensitive smart phones and GPS enable the matching of offer with location. A sandwich shop that knows you're around the corner has a new opportunity. This is just beginning to emerge in the U.S., but is more fully developed in Asia.

In Seoul, for instance, taxi drivers respond to text messages for service calls.

#### IS DRTV DEAD?

Susan Rowe, president of Rowe Media Group, says a thread with that very title has been drawing responses like mad on a professional users' group.

Her take: It's still a viable channel for products targeting a demographic of 65 plus. But as younger viewers migrate to watching TV on the Internet, the costs for buying Direct response media don't yet make sense.

On the plus side, the trend of multiple screen watching has created an interesting dynamic for DRTV because response can now be tracked in minutes or seconds as opposed to hours or days, according to Core Media, a technology provider to the indsutry. This means marketers can accurately tie specific campaigns for producing visitors to a website or calls to a call center.



RT @frugal\_it: Save on Desktops, Notebooks, LCDs and More @ CDW http://tinyurl.com/klwxsn http://myloc.me/36Dz

4 Hepty 13 Retwent # Favorite

## Extreme **Fandom**

**Brand Advocates** are a breed apart by Rob Fuggetta

JUSTIN DORFMAN, A 26-YEAR-OLD SUPPORT ENGINEER FROM ENCINO, CALIF., has bought thousands of dollars in computer gear over the past five years from CDW, an online IT retailer. But Dorfman is much more than a fiercely loyal CDW customer. He's also one of their best marketers.

Dorfman, a self-described "hard-core cpw Advocate," has helped the retailer sell hundreds of thousands of dollars in products by evangelizing the company to his colleagues and peers.

Dorfman, who uses the line "Making Websites Fly, One Customer at a Time" on his LinkedIn profile, recommends CDW on Twitter (@jdorfman, where he has 644 followers as of September 2012); by re-Tweeting cpw's content and deals; talking them up on his blog and on his personal website, Frugal IT; and on Spiceworks, an online community for IT professionals.

He's even become Facebook friends with cpw senior account manager Matt Cipolla. "We even know each other's girlfriend's names. You're just not going to get that from other companies," says Dorfman.

cpw has never paid Dorfman for his advocacy. They've never given him discounts, Tshirts or online badges. Dorfman advocates cow because of the company's responsive, personalized service. 'I put my reputation on the line for CDW and they've stood by me. They deliver every time," says Dorfman.

Justin Bieber, the teen heartthrob, may have a perfect Klout Score, a measure of social media influence. But when it comes to IT purchase decisions, it's Advocates like Justin

### BRAND ADVOCATES



Dorfman - not Justin Bieber who have the real clout. CDW didn't buy Dorfman's advocacy. They earned it.

Brand Advocates are also known as "Customer Advocates," "wom Champions," "Customer Champions" and "Customer Evangelists." The terms "Brand Advocates" and "Brand Ambassadors" are often used interchangeably. But since companies often pay or give special incentives to Brand Ambassadors to tout their brands and products, this doesn't meet my definition of a Brand Advocate.

Advocates like Justin Dorfman are your best marketers and salespeople, and your most loyal, engaged, enthusiastic, and valuable customers. In today's world, it's Advocates - not advertising's "Mad Men" - who have the power.

Brand Advocates catapulted Barack Obama into the White House. They stood by Apple a few years back when people like Michael Dell were calling for Apple to sell itself and return the money to its shareholders. (To which Steve Jobs famously replied: "Fuck Michael Dell.") They turned the Dave Matthews Band into a cult. Advocates are helping Starbucks regain its lost brand soul. They drove the success of SuccessFactors, which sap recently snapped up for a cool \$3.4 billion. They turned Method, an ecofriendly soap and cleaning products company, into a movement. They led Ford's resurgence and they're helping revive GMC and Detroit itself.

Advocates for decency and civility on the airwaves banded together to get advertisers to stop buying ads on Rush Limbaugh's show when the right-wing radio host called a Georgetown law student a "prostitute" and "slut." A generation earlier, many of those same Advocates would have marched in Selma for civil rights or demonstrated in Washington to end the Vietnam War.

Zappos, Trader Joe's, Amazon, Method,

NINE OUT OF 10 ONLINE Consumers AY RECOM-MENDATIONS FROM friends AND FAMILY Members ARE THE RUSTED FORM OF ADVERTISING WORLDWIDE. only about TWO OUT OF O TRUST ONLINE ADS.

Red Bull, The Body Shop, Google and SodaStream all built their brands without advertising. Their Brand Advocates are their marketing department. "We've built this entire business, and an entire category in fact, on the power of our Brand Advocates," says Kristin Harp, u.s. manager at SodaStream, which turns tap water into sparkling water and soda.

In fact, the three most powerful social media companies - Facebook, Twitter and LinkedIn - never spent a dime on advertising or paid people to recommend them. They didn't need to. Advocates used social media to recommend them to their friends.

You may spend millions of dollars on elaborate marketing campaigns. But there is nothing more powerful than a trusted recommendation from a Brand Advocate.

#### **BILLIONS OF BRAND ADVOCATES**

Advocates like Justin Dorfman are not a tiny seqment of consumers; they're not part of some weird brand sect or lunatic brand fringe.

About one in four U.s. adults online are Brand Advocates, studies show. There are tens of millions of Brand Advocates in the u.s. alone and billions worldwide - a vast, highly influential, and powerful marketing force. Over the past three years, my company has asked more than 2 million consumers and business buyers the ultimate question for customer loyalty: How likely are you to recommend this company or product?

The results are stunning: On average, about half of the customers say they're highly likely to recommend the companies they do business with or products they've purchased.

While our surveys are not scientific, the results align closely with the formal polling. For example, Symantec, a leading security software company, has consistently found that 60 percent to 65 percent of its surveyed customers are highly likely to recommend its products to others. Symantec has more than 50 million customers worldwide. meaning it may have an Advocate Army of over 30 million enthusiastic customers.

Clearly, some people proactively recommend brands and products more frequently than others. They're habitual recommenders.

But nearly everyone recommends brands and products these days. We're being invited by brands and others to "tell us your story," "share the love," and "rate and review our products." We've become a nation of armchair critics, product experts and Brand Advocates.

There are hundreds of millions of reviews and consumer comments about brands and products in total on Amazon, TripAdvisor, Yelp, plus on social networks, blogs, online communities and elsewhere on the Web. Plus, there are billions of brand and product recommendations offline.

And Advocates don't just recommend cool products like iPhones, movies and cars. In a recent Zuberance survey, 70 percent of Advocates said they recommend both consumer and business brands and products.

The biggest reason Brand Advocates are so powerful is a single, five-letter word: trust.

Nine out of 10 online consumers say recommendations from friends and family members are the most trusted form of advertising worldwide. Only about two out of 10 trust online ads.

People trust Advocates because they know they don't have anything to gain personally from their recommendations. If you give people cash or freebies to get them to recommend your brand or product, you destroy that trust.

In fact, people are less likely to buy a product if they find out that the recommender is being paid for the referral, according to a study by ETH Zurich, "Social Sharing Behavior Under E-Commerce Context.\*

#### ADVOCATES DRIVE SALES

Advocates' recommendations are the No. 1 influencer of purchase decisions and brand perceptions in nearly every product category from smartphones to software, hotels to housewares, cars to computers, financial services to fitness memberships.

In a recent Zuberance survey, 89 percent of Advocates said their friends buy or consider purchasing the products and services they recommend. Many consumers and business buyers ignore, skip and TiVo out ads, but when Advocates recommend something, consumers will go out of their way to buy it.

I saw this in action the other day. When my friend Vanessa needed new tires for her suv, she ignored the TV and print ads. Instead, she relied on a personal recommendation from a friend.

As she drove across town to the tire dealer her friend recommended, she passed five other stores that sell tires. It didn't matter that these stores all offered the same brand of tires. Nor did it matter that these stores were running sales promotions. (Aren't tires always on sale?) All that mattered to Vanessa was that a friend she trusted recommended a particular tire store. So she drove out of her way on her wornout tires to the tire store her friend recommended.

That's the power of authentic advocacy. You may forget or ignore ads. But when you get a trusted recommendation, it sticks in your head. And the next thing you know, you're driving clear across town to get to that tire dealer, florist, restaurant, hair salon, or whatever an Advocate has recommended to you.

Many people use the terms "fan," "follower," and "Brand Advocate" interchangeably. But these are different types of people.

Fans and followers may like you, but not all of them recommend you. In fact, until recently, Facebook required that you "like" a brand in order to write on their wall, even if you wanted to complain about the brand.

Jordan Berlingeri, an AT&T customer, has liked AT&T on Facebook, but that doesn't mean he actually likes AT&T. Berlingeri posted this on AT&T's wall on August 6, 2011: ... I only "Liked" you on FB to let you know, and to hopefully rally others around the notion that, if we want better, sometimes we have to go somewhere else. I ended my contract ... WAKE UP PEOPLE!!!

AT&T has 1.6 million fans. Wonder how many are really AT&T Advocates?

#### MONEY CAN'T BUY ADVOCATES' LOVE

Fans and followers have different motivations than Brand Advocates.

The top reason people like a brand on Facebook is "to receive discounts and promotions" (40 percent), followed by "to show my support for the company to others" (39 percent); "to get a freebie" (free samples, coupons); "to stay informed about the activities of a company" (34 percent); and "to get updates on future products" (33 percent) (ExactTarget, April 2010).

Brand Advocates, on the other hand, are motivated by good experiences and a desire to help others. Over the last three years, Zuberance has powered over 30 million Advocate actions. We've never paid or provided an incentive to a single Advocate for their recommendation. And no Advocate has ever been given a

freebie if their friends buy something.

In a recent Zuberance survey, 49 percent of Advocates listed good experiences with a product or service as the primary reason why they recommend. Forty-one percent of Advocates recommend because they want to help others, including assisting them to make smarter purchase decisions. Only 1 percent of respondents said

receiving incentives and rewards were the primary reason they recommended brands, products, and services.

Think about this: The last time you recommended a restaurant, hotel, movie, book, employee, or anything, did someone pay you for your recommendation?

Of course not.

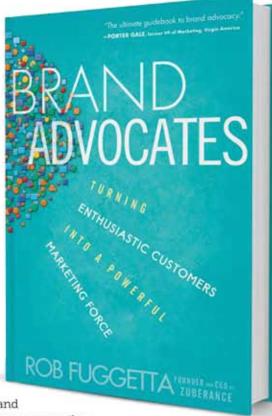
There are 3.5 billion recommendations offline each day in the U.S., according to word-of-mouth researchers Keller Fay. The vast majority of those recommendations are unpaid.

Loyal customers (customers who buy from you frequently or over a long period of time) aren't necessarily Advocates.

The best example of this is the airline industry. You may fly the same airline regularly because it has more flights to a certain city you visit often; or because your company says you have to; or because you're hooked on the points. But that doesn't mean you're an Advocate of that airline. You're what loyalty experts call a "trapped customer."

Mike J. Morgan of Norman, Okla., is a Premiere Executive in United's loyalty program. The title of one of his recent posts: "United — Why I Hate the Airline I Love."

Our research shows that one in five loyal customers are Detractors. They go out of their way to criticize your company and products, hurting your revenues and reputation.



#### SOCIAL MEDIA AMPLIFY ADVOCATES

In the old days (pre-social media), Advocates' reach was limited to their immediate circle of family and friends. Recommendations were made over the water cooler at work or over dinner with friends. Now, empowered by social media (Facebook, Twitter, LinkedIn, You-Tube, blogs, Foursquare, online reviews and more), Advocates collectively reach millions of buyers with trusted recommendations.

According to one market research firm, each time a consumer posts something on the social Web it reaches a minimum of 150 people. There are about 500 billion word-of-mouth impressions on the social Web each year in the u.s., rivaling the reach of ads, the company says.

But some firms may be underestimating Advocates' reach. Our research shows that on average, Advocates have between 200 to 450 people in their social networks. The social networks among Advocates who recommend online is even larger. They have between 300 and 600 people in their network.

Consumers who write reviews on TripAdvisor know how many readers they're reaching. When my Zuberance colleague Lynn Svitenko published a review on TripAdvisor recently, the site gave her an online chart stating she had reached 1,770 readers with her three reviews. That's an average of 590 readers per review.

If your travel company gets 1,000 Advocates to publish reviews on TripAdvisor, you may reach 590,000 readers on that one site alone. This doesn't include the thousands of other people Advocates can reach via Facebook posts, tweets, emails, plus publishing positive reviews on other hotel sites, your Web site, and other targeted venues.

When you create and engage an Advocate, you've identified a renewable marketing asset you can leverage for years.

Advocates' love for you isn't fleeting. This isn't a summer romance or a brand fling. I know Advocates who've evangelized Apple since the days of the Apple IIE. Same thing with Advocates of brands like Harley Davidson, Sony and Starbucks.

Even when your company goes off track or does something dumb, Advocates have your back. I have experienced this many times with Apple; its Advocates forgave the company's missteps, like its failed

as a result ADVOCACY 14 OF HER FRIENDS AND COLLEAGUES BOUGHT EXUS CARS GENERATING over ŠŽOO,000 IN ŠALES FOR LEXUS.

early experiments with PDAs (anyone remember the Newton?), or its ill-advised foray into enterprise computing.

But don't take Advocates for granted. Target, the discount retailer, incurred the wrath of many of its Advocates when they learned that the company donated money to an anti-gay candidate in Minnesota. Target is known in Minnesota for donating to public school programs, food pantries and the annual Twin Cities Gay Pride Festival. Still, its support for the candidate angered Advocates.

When Advocates find a brand or product they love, they tweet, blog, text, Yelp or Yahoo about it. Compared to other people, many Advocates:

- · Have larger social networks;
- Are heavier users of social media;
- Are more prolific content creators and active social sharers:
- Are more brand-conscious:
- Tend to adopt innovative products and services earlier than other customers;
- Are more charismatic, optimistic, outgoing and adventurous:
- Tend to skew younger than the general population. While many Brand Advocates fit this description, there are other Advocates who don't match this profile. Some Brand Advocates may not be heavier users of social media than other consumers, but recommend offline every chance they get.

Since women are thought to be more social than men, people often assume that most Brand Advocates are women. Actually, it depends on the product category. If it's cosmetics, clothes or baby products, Advocates are more likely to be women. For snow blowers, beer or tires, Advocates are more likely to be men. Of course, there are exceptions. I know dads who are raving Advocates of Stokke baby buggies, the Rolls-Royce of strollers.

And while many Brand Advocates are very influential in two or three types of products, this influence doesn't extend across all categories. Many of my friends know I love tennis and wine and that I'm the founder/ceo of a venture-backed company. So I get asked a lot for my recommendations for tennis, wine and venture capital firms. (My answers are Babolat, Silver Oak Cabernet and Emergence Capital,

Canaan Partners, and Correlation Ventures.) But I don't get asked about other categories like fly-fishing, cosmetics or adult diapers (at least not yet.)

#### MOST PASSIONATE ADVOCATES

Some Advocates evangelize your brand and products with the fervor of a Sunday morning TV minister. I saw this at Apple, where we had fanatical Advocates.

Shelley Symonds, CEO at start-up Honored Citizens, is a passionate Lexus Advocate. Shelley, who has owned four Lexus cars, doesn't just talk about Lexus. She gives you her car keys and insists that you drive her new Lexus. Shelley's even taken colleagues and friends to the local Lexus dealer so they can see the lineup of new models.

As a result of her advocacy, 14 of her friends and colleagues have bought Lexus cars, generating over \$700,000 in sales for Lexus. "I'm not just a Lexus lover," says Shelley. "I'm a Lexus salesperson," she laughs.

Awhile back, Shelley sent a letter to Lexus's CMO. In the letter, Shelley told the CMO about her passion for Lexus and offered to help the car company spread the word. She never got a response.

Brand Advocates are deeply engaged with your brand. They're the first to connect with you on Facebook or Twitter; create reviews and testimonials; respond to customer surveys; attend customer events; participate in online communities, focus groups, beta programs and more. Need a customer case study, video testimonial, or reference for a hot prospect? Advocates are eager to help.

HomeAway, a vacation rental site, has empowered its Advocates to answer questions via email from other vacation homeowners considering listing their homes on the site. One HomeAway Advocate included his personal phone number in the email. "If you'd like to know more about why I recommend HomeAway, feel free to call me," the HomeAway Advocate said in his email.

Only about 1 percent of fans of the largest brands on Facebook engage with the brands, according to a study by the Ehrenberg-Bass Institute, an Australian-based marketing think tank that counts Procter & Gamble, Coca-Cola and other major advertisers as its clients. In other words, 99 percent of fans aren't engaging.

Disney recently got about one-quarter of 1 percent of its Facebook fans to share a photo. This

#### SEGMENT

Brand Advocates Fans, Followers

Loyalists Community Members

#### DEFINING BEHAVIOR

Recommend your company, brand, products, or services Like your Facebook page or follow you on Twitter Purchase frequently

Ask and answer technical and other questions

#### KEY MOTIVATION

Help others Get discounts Savings, convenience

Learn

was considered an exceptional overall engagement rate. That's Mickey Mouse compared to Advocates.

On average, 25 percent of Advocates powered by Zuberance create or share content. That's 25 times greater than the average engagement rates for the largest brands on Facebook and about 100 times greater than Disney's engagement rate for the photo-sharing campaign.

Like or follow you? Heh! That's kid stuff for Brand Advocates. These enthusiastic customers and others go out of their way to advocate you, putting their personal reputations on the line.

#### ADVOCATES: HIDDEN AND VISIBLE

You can see some of your Advocates. If you own or work for a small company, you may even know these Advocates by their first names. I call these Visible Advocates.

These Advocates may have recommended you by participating in a customer testimonial or success story. They may be referring prospects to you now or participating in a Brand Ambassador program. You also may see some of your Advocates online. They're recommending you on Yelp, TripAdvisor, Amazon, Facebook, Twitter and elsewhere.

But Visible Advocates are the tip of the Advocate iceberg. Depending on the size of your customer base, you may have hundreds, thousands or even millions of hidden Advocates. These Advocates are talking you up in meetings, recommending you over coffee and dinner, and evangelizing you on email, texts or over the phone.

By giving these Hidden Advocates tools that make it easy to recommend you, you can amplify their voices and turn them into Visible Advocates.

Brand Advocates don't just recommend one or two brands or products. Forty-six percent of Advocates recommend 10 or more brands, products and services per year, a Zuberance study found.

And Advocates are habitual recommenders. On average, surveyed consumers said they recommend

#### TOP 10 THINGS ADVOCATES WILL DO FOR YOU

Brand Advocates will promote, support and defend your brand and products in 10 key ways - and over many years. These highly loyal customers will:

- 1. Give you referral leads and help sell your products and services, serving as a virtual sales force
- 2. Write highly positive reviews of your products or services, boosting your online ratings
- 3. Create glowing testimonials about their experiences with your company or products
- 4. Answer prospects' questions, overcome buyers' objections and reduce shopping cart abandonment rates
- 5. Share your content and offers with their social networks, driving referral leads, clicks and sales
- 6. Help you launch new products
- 7. Create better ads than your high-priced ad agency, and more compelling copy than your most skilled wordsmith
- 8. Defend your cherished company and brand reputation from detractors
- 9. Alert you to competitive threats and market opportunities
- 10. Give you profitable ideas and product feedback

Brand Advocates will do all of this and more, and many are already at work.

brands, products and services about 26 times per year.

How are Advocates different from fans and customers? Joe Bunner, a former colleague of mine at Zuberance and a rabid University of Texas football fan, uses a football analogy to describe what makes Brand Advocates different from fans and loyal customers.

- A fan sits in the stands, cheering for his favorite
- A loyal customer attends every home game, rain or shine.
- A Brand Advocate goes onto the field and plays in the game.

The chart on page 59 summarizes the key differences between Brand Advocates and these other groups.

Brand Advocates would make terrible CIA operatives. They just can't keep a secret. And it's not just one or two categories of products they recommend. Advocates recommend lots of different types of products.

#### ADVOCACY MOVES ONLINE

Remember the old Fabergé shampoo commercial featuring a 20-something Heather Locklear? "I told a friend and she told a friend, and so on and so on ..."

While offline is by far the most popular communications channel for Advocates, they also work online via personal networks and third-party shopping and review sites that recommend brands and products, a Zuberance study showed.

And over half of consumers use online tools such as email to make recommendations; about one-third (35 percent) use Facebook.

#### YOU DON'T NEED TO OWN IT TO RECOMMEND IT

You may only have bought a product once - or even not at all - and you can be an Advocate of that product or brand.

You may recommend Virgin America because you admire (or secretly wish you were like) the company's swashbuckling founder, Sir Richard Branson. Or you may recommend the brand because it supports social causes important to you. I've recommended The Body Shop because they don't test their cosmetics on animals. But I've never set foot in The Body Shop.

Ever found yourself saying, "I recommend Sony TVs. I hear they're the best." Then you go home and flip on your Panasonic.

#### INFLUENCERS VERSUS ADVOCATES

Some marketers lump Brand Advocates together with influencers such as professional bloggers. But Brand Advocates are a different category than influencers. Here's why:

- Many influencers see their role as being independent from brands. They get a lot of their street cred from this independent perspective. Many don't care about your brand. Brand Advocates, on the other hand, are passionate about your brand. They wear their love for your brand on their sleeves, or tattooed on their arms.
- 2. Influencers' advocacy is fleeting. Influencers will tout a product for a brief period of time, like during a launch. But Brand Advocates' devotion to their favorite brands and products can last a lifetime.
- 3. Influencers boost buzz, but not necessarily sales. A favorable post by an influential blogger can cause a spike in awareness and interest in your brand and products. But Advocates' recommendations get your cash registers to ring.
- 4. There are more Advocates than influencers. A. senior marketing exec I know called Advocates a "subset" of influencers. In fact, many companies have tens of thousands of Advocates.
- 5. You don't need to pay or provide incentives to Advocates for their recommendations. Many companies offer free products, free meals and trips to cultivate Influencers. Your Advocates don't ask for this.

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#### TOP 10 WAYS TO IMPROVE DIGITAL EXPERIENCES



Great digital experiences don't happen by accident. Forrester explains the top 10 ways to get there.

by Kerry Bodine

COMPANIES NEED TO UNDERSTAND THAT GREAT DIGITAL EXPERIENCES ARE NO ACCIDENT. They must be actively designed. This means adopting a user-centered design process that includes research, analysis, ideation, prototyping and testing. And to maximize digital budgets and ensure ongoing funding, companies need to deliver Web, mobile and tablet touch points that align with core brand attributes and support business objectives such as cost savings, revenue generation and loyalty building.

The whole point? Creating a unified customer experience.

What can firms do to get the most out of their digital investments? Forrester recommends the following 10 tactics for understanding what digital improvements are needed, making the right redesign decisions, and aligning improvements with business objectives.

#### No. 10: Flex Your Analytics and Operational Data

Quantitative data from analytics platforms and internal operations systems — like those used in your call center — can help improve digital experiences dramatically.

 Web analytics software is the best tool for understanding where visitors go on your Web site and what they do when they get there.

- Study customers' mobile and tablet behavior, too. Just like Web site interactions, mobile and tablet behaviors are highly measurable.
- Examine customer behavior across channels. To fully understand your digital opportunities, you need to know the answers to questions like: How many people phone the call center after visiting another touch point, and what are they calling about? Lands' End realized that a large number of customer service calls focused on selecting the right size for an article of clothing. When the company added contextual help about product sizing and fit to its Web site, call center volume dropped by 20 percent - a huge cost savings.

#### No. 9: Conduct Expert Reviews of Web, Mobile and Tablet Touch Points

Expert reviews, also known as "heuristic evaluations" or "sce-

nario reviews," are quick ways to determine what's currently broken on your sites and apps. Identify potential reviewers who can empathize with your customers' needs and then have them:

- · Try to accomplish relevant customer goals that are specific to the business purpose of your site or app - such as configuring a four-door sedan or purchasing a set of bath towels.
- · Look for well-known customer experience flaws. Examine if a particular touch point has content and functionality that's easy to find and digest.

#### No. 8: Reach Out to Real Customers

It's easy for behindthe-scenes staff to get out of sync with real customers' needs. When that happens, digital project team members will make decisions based on flawed assumptions.

- · Solicit customer feedback about the current experience. Surveys can help you gather feedback about specific digital interactions.
- Gather and analyze unsolicited customer feedback that can be found in emails, support calls, and posts on social media sites. When Pizza Pizza, one of Canada's largest pizza chains, was building a mobile ordering app, the design team reviewed recorded calls. Web site comments and email, and found

many customers preferred fewer steps to the ordering process. The team also mined blogs and app-ratings sites for reactions to competitors' apps.

 Uncover hidden customer needs through ethnographic research, which is simply observing your customers' behavior in a natural setting — their home, office, or even at the mall. For example, employees from the interactive agency Organic noticed members of a fitness club lining up 30-deep before some classes. By chatting with the members, the team learned they were willing to stand around not only to

> get into a class but also to snag a specific spot on the studio floor. Based on this insight, Organic developed functionality that let members reserve a spot from the Web or a mobile device.

#### No. 7: Adopt Proven User-Centered Design Processes

Great digital interactions happen when companies employ a user-centered design process.

 Conduct and analyze customer research. During this process. your team may need to reframe the project focus. Why? Project teams often set out to solve one problem, but research insights lead them to discover that there's actually a bigger (or just different) problem that's more

important to tackle.

- · Prototype and test the possible solutions. Rather than getting stuck in analysis-paralysis, focus on making your ideas tangible through quick and cheap lowfidelity prototypes.
- · Co-create with your employees and customers. You need to include people from across the entire customer experience ecosystem to help synthesize research data, ideate possible solutions, create prototypes and provide feedback.

#### No. 6: Take Advantage of the Inherent Characteristics of **Digital Touch Points**

Web sites, mobile phones, tablets and other digital touch points offer many different ways for customers to connect with your company. However, they vary wildly in their display characteristics and capabilities - and these factors have a significant effect on customer experience.

- · Create touch-point-appropriate interfaces. While the differences between a Web site viewed on a tablet and a PC may be slight, that same site will look vastly different on a mobile phone. And input capabilities vary drastically.
- Look for opportunities to make interactions social. Digital interactions are becoming social as a rule, not an exception. But social is about more than sharing, and companies need to look for ways to integrate social behaviors across the entire customer journey. For example, to draw attention to its Black Friday deals, J.C. Penney gave its Facebook fans access to exclusive deals and a chance to win a



ADDING OR IMPROVING MOBILE CUSTOMER EXPERIENCES
USING COMMUNITIES AND OTHER TYPES OF SOCIAL COMPUTING

USING COMMUNITIES AND OTHER TYPES OF SOCIAL COMPUTING 48%

IMPROVING THE EXPERIENCE OF INTERACTING WITH A CALL CENTER AGENT 43%

IMPROVING THE STORE/BRANCH CUSTOMER EXPERIENCE 29%

IMPROVING CROSS-CHANNEL CUSTOMER EXPERIENCES

IMPROVING THE PHONE SELF-SERVICE CUSTOMER EXPERIENCE (IVR/SPEECH)

NONE OF THE ABOVE 1%

OTHER 6%

VIP shopping experience.

#### No. 5: Get Outside Help Where You Need It

While in-house design and development teams have the advantage of deep domain knowledge, it's difficult for any but the savviest internal teams to do it all themselves. Companies should look to outside firms to help them:

- Carry out and analyze ethnographic research. Most companies don't have the in-house skills to conduct this kind of research or synthesize the results into actionable findings. Firms such as Boston-based Essential Design and STBY in Europe have extensive experience with techniques like in-home observations and diary studies.
- Conduct user-experience research. At the other end of the design process, companies need to gather feedback on how well their digital products and services meet customers' needs. Consultancies like AnswerLab and Bentley University provide services ranging from remote usability testing to lab-based eye tracking studies.
- Simplify complex information and transactions. Many of the firms we talk to cite extensive usability prowess and the

- ability to leverage digital touch points as the reasons for seeking outside help. For example, when TIAA-CREF needed help improving online tools that explain how participants' retirement investments would annuitize over their lifetimes, it chose to work with EffectiveUI, in part due to the firm's experience in simplifying complex customer interactions.
- Spark new ideas for digital innovations. When companies embark on customer experience improvement projects, they're typically trying to do a better of job of meeting customers' needs. But when Citibank partnered with digital service design agency Fjord to design a tablet banking app, it aimed to far exceed them. The resulting app included rich data visualizations and comparisons with how other people spend money tools not available on the Citibank Web site.

#### No. 4: Plan for the Post-Launch Reality

Digital project teams put a lot of effort into any launch — but that's just day one of a touch point's life. What happens on day two through infinity? Companies that launch without an answer to this question wind up with unsupported sites and orphan apps that

confuse or annoy customers. Don't fall into this launch-itand-leave-it trap. Instead, make sure your digital touch points get ongoing attention.

22%

61%

- Plan to maintain and improve existing sites and apps. After Citibank launched its iPad banking app in July 2011, the company updated it three more times before the end of the year, adding access to check images for bank customers, contextual help in the form of tutorial overlays, social media sharing, and in-depth visual analytics for credit card accounts.
- Create an end-of-life plan before you launch. Most digital touch points aren't going to live forever: Links will change, sites may get merged, or companies may decide to stop supporting apps. Changes like these will likely meet with negative customer reactions. To avoid this, firms need to create contingency plans for sunsetting their digital products and services without leaving customers high and dry.

#### No. 3: Bolster Your Company's Brand

Whether you're gutting your entire Web site or launching a new mobile app, every decision you make will ultimately shape your

FIDELITY INVESTMENTS DIGITAL DESIGN **GROUP STARTS** PROJECTS BY SETTING BUSINESS OBJECTIVES. INCREASING NEW ACCOUNT REGISTRATION RATES BY 6%. IF RESULTS ARE LESS THAN expected, THE GROUP EXAMINES THE REASONS WHY, AND USES WHAT IT LEARNS TO IMPROVE THE NEXT PROJECT.

brand in some way. To create digital experiences that support your brand image:

 Surface your company's brand positioning statement. In our conversations with customer-experience professionals, an alarming number say that they're not sure exactly what their brand stands for and many admit that they've never even talked with their brand and marketing groups.

If this sounds familiar, stop what you're doing, pick up the phone, and start to forge these critical relationships.

 Use content, functionality, and design elements that support key attributes. For example, in support of its mission "to bring innovation and inspiration to every athlete in the world," Nike's Web site showcases innovative product features that translate into performance-enhancing benefits, and provides useful tools like a training log and pace calculator for runners.

#### No. 2: Measure Digital Touch Point Performance Against **Business Metrics**

Digital customer experience projects don't get funded without some anticipated benefit to the business.

· Begin and end every project with a discussion of business objectives. Fidelity Investments' digital design group starts projects by setting business objectives, like increasing new account registration rates by

6 percent. This becomes the driver for projects like redesigning the registration form to increase enrollments. The team finishes projects with an examination of performance. If results are less than expected, the group examines the reasons why and uses what it learns to improve the next project.

- Build ROI models. Using measurable business goals — like boosting revenue or lowering service costs — it's possible to construct customer-experience ROI models that even the mathematically challenged will appreciate
- Create a holistic customer-experience measurement framework. When firms only measure outcomes from digital channels, they're not viewing the entire picture. For example, a customer might buy a product online but then call to ask about delivery timelines because the site didn't specify a shipping date. This could lead to dissatisfaction or worse. Web site metrics alone won't connect those dots. That's why customer-experience professionals need cross-channel metrics that track what customers think and feel ("The package took forever to get here!"), what actually happened (the package took four days to arrive), and what customers will do as a result of their experience (like tell a friend or cancel the order).

#### No. 1: Unify the Overall Customer Experience

With customers able to interact through multiple channels at any given moment, companies need to present a coherent face across all interactions. When they don't, they risk diluting their brand and

frustrating consumers. To create a unified customer experience:

- Use recognizable visual design patterns. The first thing customers react to when they hit any digital touch point are the visual elements. Ideally, the styling of the imagery, typography and layouts should be carried over from one touch point to another. For example, The New York Times' stately serif fonts accentuate the firm's heritage across all of its touch points - traditional and digital. And TOMS Shoes incorporates elements of its imagery, typography and layout on both its Web site and its Twitter page.
- · Make it easy for customers to shift from one channel to another. Consumers now move seamlessly from the Web to their phones, then to Facebook on their tablets. Unified customer experiences facilitate this touch-point hopping and don't force customers to start cold in each new channel.
- · Create cross-channel governance practices. For most companies, working across silos will take some adjustment. Formal customer experience governance processes can help. For example, Barclaycard us assigned one executive to oversee each of nine high-level processes that were part of the customer journey, like acquiring a customer or servicing customer issues. Each exec is responsible for every digital and physical interaction that affects that part of the journey, regardless of where the supporting functions for those interactions report into organizationally. 🖸

Adapted from Forrester Research's Digital Customer Experience Playbook; The Top 10 Ways To Improve Digital Experiences, by Kerry Bodine, 2012.

#### I REALIZE MOST OF YOU HATE THE WORD "INTEGRATION" AS MUCH AS I DO. It's one of

those trite words that has been bandied about so indiscriminately that it has become virtually meaningless.

Until now. To make sense of the perennially puzzling digital marketing arena, advertisers and their proxy agencies should embrace integration.

Our industry needs to wake up to the reality that the path to purchase has been fundamentally altered. In 2009, McKinsey introduced "The Consumer Decision Journey" which we now refer to as the Loyalty Loop. The loop captures the circular, real-time dynamic that has usurped the linear conversation between brand and shopper.

Most brands have not moved beyond the status quo, despite ample evidence that integrated teams would be the catalyst to jumpstart brands' practical embrace of the Loyalty Loop. This can't be achieved until everyone works together. Pre-Facebook, our industry could afford to operate within walled gardens. But the explosion of social media has made integration imperative. Social media gave consumers the unspoken "right to voice."

Because Social is so fundamental to the dynamic between brands and consumers, it reaches across multiple media buckets. Creative agencies, media agencies and PR shops, are busy carving out authority with chief marketing officers.

On top of that, emerging frenemies like Buddy Media and - full disclosure, my company Kinetic Social - are poised to also get the ears of cmos. Because we are third-parties, and by default "just those vendor people", we are also subject to "silo-ization" by agencies and their clients. Harbor no delusions; collectively we are more knowledgeable than just our "platforms." The only way marketers are going to be able to harness the power of social media in an efficient way is to stop pitting sibling vendors against each other. Every silo needs to be represented or else we fail.

When branded content became all the rage in our business, I saw how creative shops went to war with their media agency brethren over control of \$2 million entertainment ideas. And

for the campaigns that made it through this gauntlet, I watched many of these high dollar efforts flounder due to an inability to accept input from other voices.

The fragmentation of consumer media options has sparked the need for a reconsolidation of the agency model. Though it may seem crazy, creative agencies and their media counterparts will again be rebundled in a wholesale manner. There are current examples of this very strategy (WPP Group and Team Detroit). I wouldn't be the least bit surprised to see all of the major holding companies creating more of these integrated units to service major multinational clients.

Short of rebundling, agencies and clients need to commit themselves firmly to integration. I've been involved in enough case studies during my years on the agency side(as social media lead at media shop Mindshare) to know that integration works. For Unilever's Axe brand, Edelman; BBH; Razorfish; and Mindshare collaborated on many

successful campaign launches. It wasn't easy, but it was worth the effort.

Sometimes those much-maligned client procurement people can play a helpful role in integration. I can recall a project for GSK Asia-Pacific where procurement told all parties including TBWA, Yahoo! and Mindshare - to play nice. There were no "us" and "them"; all were seen as equals. As a result the planning was much more efficient.

For integration to really take hold, brands have to demand it. The question is: do they have the energy to do so and do agencies and vendors have the ability to let go of their fiefdoms? The answer could play a crucial role in the future direction of the agency business.

Carree L. Syrek is Chief Strategy Officer at Kinetic Social

# An Old-Fashioned Solution

The future may be as simple as agencies working together

BY CARREE L. SYREK





The Next Level

Thanks to social media, out-ofhome turns into an immersive experience

BY JOSHUA COHEN



THERE WAS A TIME, NOT THAT LONG AGO, when digital outof-home meant screens in bars. Or the Jumbotron at the concert, the 15-second spot in a coffee bar, or the intrusions in taxi cabs. Essentially, a nonengaging transfer of content from one medium to another.

Today, thanks in part to social media forcing the industry's hand, digital outof-home has the opportunity to be a memorable, discrete, interactive and immersive brand opportunity with connective DNA to other media in the mix, both earned and paid. I like to refer to it as the Gateway Medium. Done correctly, it does, and should, lead to

other media coverage and expression.

We've learned that simple brand messaging can no longer make a lasting impression. As consumers walk around with their heads in their phones, brands need to stand out, go big and create persuasive relevance with technique and substance. To make an impact in this time of numbing information overload, brands are creating unique digital experiences that incorporate interactive and distinctive technology, producing ongoing

conversations about, and with, your brand.

Several innovative mediums are breaking the mold, allowing consumers to be the endorsers of your brand, share brand information and create conversations in social media. On the forefront are custom interactive digital out-of-home experiences that allow consumers to engage with screens and messages using technologies like touch/gesture/augmented reality/photo capture and more - all tied to instant social sharing, providing consumers with the gratification that they are in control of the brand messaging, can create their own experiences and provide something of value that they want to share.

For example, at Pearl Media we created an interactive crime scene for a new drama series on the TNT Network. Consumers were challenged to visit a vacant storefront that was constructed to resemble a makeshift crime scene with broken furniture, cracked bottles - even a corpse. Next to the crime scene, a large touch-enabled digital crime lab urged consumers to solve the mystery by asking suspects questions, dusting for fingerprints, and more. Upon solving the crime, participants were able to instantly take a photo with the stars of the show and share their photos and results with thousands online via Facebook and Twitter. The storefront was also armed with OR codes and NFC technology, allowing consumers to download a mobile version of the crime scene to play on their smartphones as well as imbed a reminder to watch the show. The result: Thousands of consumers not only



played on site, but thousands more engaged in the experience online via shared content directly from the digital out-of-home experience. Through this interactive digital OOH brand experience, TNT allowed consumers to touch, feel and discuss the brand through attraction and engagement. Consumers were in control of their own brand retention and the experience provided added value, allowing them to become onsite detectives.

Another disruptive digital experience that consumers want to share is 3-D projection mapping, which allows brands to play off consumers' emotions and imagination, delivering something that has never been seen before. It's the art of using projection, lighting, shadows and stellar animation to manipulate the surface, look and reality of a structure. Usually done on facades of buildings, the medium provides brands with a playful canvas that instantly becomes a memorable experience.

Over the past 18 months we've executed numerous 3-D projection programs for all sorts of brands from auto to entertainment to packaged goods. The result is consistent: Consumers are awestruck. Their natural reaction is to pull out their smartphones and start shooting, which ends up creating free content and exposure for the client. The average 3-D projection will be seen by

10,000-20,000 people on the street, but is viewed online by hundreds of thousands within days. Put that in terms of media dollars: If the average 3-D projection is five minutes, how much would you have to pay for your brand to be viewed online by 500,000 people for five minutes? Then factor in the impression your brand makes and the conversations your brand has created. Sharing links with friends is an instant endorsement of your brand within the consumer's network. As we all know, an insider's endorsement comes with more credibility and influence than if it came from the brand directly.

As information becomes more accessible and consumers' opinions become more visible, brands need to reach deep to engage through powerful media that deliver a positive, lasting impression. Interactive digital media and 3-D projection mapping are two mediums that are currently leaving consumers with memorable moments that are shared and endorsed from the screen to millions online and other earned media. Today, when everyone has a critical opinion and everything has an online rating or comment section, creating brand content that is consumer endorsed is critical to passing the media gateway and gaining consumer acceptance.

Joshua Cohen is president and CEO of Pearl Media.



WHAT'S THE MOST EXPEN-SIVE COMPUTER YOU HAVE **EVER PURCHASED?** No. it wasn't that tricked-out Mac-Book Pro. It was your car.

Your car is the most expensive computer you will ever own. What's fascinating is that on average you will replace your computer and your car at nearly the same frequency

- every three to five years.

Hopefully you are not replacing both at the same time.

Last year, nearly 13 million new cars were sold, and this year JD Power expects the number to be closer to 14 million. And while computer sales were over 414 million and smartphone sales were nearly 488 million, your car is not just a super computer that can go from 0-60 in 6.7 seconds.

The time spent in your car is one of the few parts of the day during which your multitasking is limited but your time spent is extensive. The average u.s. commuter spends nearly an hour each day in her car. In some parts of the world, this figure is even higher; in the U.K., for example, commuters are in their cars for an hour and a half.

Having spent time over the last couple of months in nearly a third of the top 20 worst commuter cities (Mexico City, São Paulo, Los Angeles, Toronto,

Houston and New York), I started thinking about how I could make better use of this time.

Should self-driving cars become a reality, we'll all become passengers with a substantial amount of free time on our hands.

There are some amazing ideas building on existing technologies. Some even re-create familiar automobile features.

We are seeing connected cars that can do more than just deliver traffic information or make emergency calls. Cars will also become customized infotainment that harness the power of connectivity and distinct personalization.

One of my favorite examples is from GM and a design academy. Playing with the notion of the window as a portal to the outside world, they invented a car window that allows passengers to play games, connect with their social networks, or even learn about their destinations and current locations. I see this and know that the world is a better place for my children, because as a kid I remember the monotony of "I Spy" and trying to find license plates from all 50 u.s. states.

Earlier this year, I had a chance to spend some time with Tesla Motors. I was blown away by the technology - not just the technology that ran the car, but also technology allowing the consumer (who is also a driver or passenger) to interact with a touchscreen interface that is nearly the size of two iPads.

As I saw these types of interfaces and screens, I begin to think about what opportuni-



ties are available to connect with consumers.

How can location-based data — where you are and more importantly where you are going — factor into an advertising experience?

My GPS knows where I am, where I am going, and what time I'll get there. It also knows what I will pass along my route.

Several years ago, I worked on an online banner campaign for a fast-food restaurant that had a simple concept; a consumer would enter his address and the program would then determine which of its locations would be most convenient for him.

It was a good idea, but honestly it was cumbersome and lacked the situational relevance that a similar type of execution could achieve directly on my car's GPS/in-dash display. One day, my car may retain what stores and restaurants I prefer, and will use this information to optimize its suggestions.

Do we look at this as an online, mobile, out-ofhome, radio, or some other type of media buy? It's important to remember that — as much as we want the latest technology with all the amazing design features — we still want to be comfortable, rather than overwhelmed to the point of losing perspective. The design needs to be built with the consumer in mind, without intimidating or condescending to us. This is true in how we engage technology from a marketing point of view.

Like a successful advertisement, great technology will become ubiquitous and fade into the background. The proper balance between tech and what is natural will be adopted and adapted. Automation will increase efficiency and give us more time to sit back and relax, work, or be entertained. And savvy marketers will be able to take advantage of these evolving media and connect with consumers wherever they are. Even if it means sitting in stop-and-go traffic on the commute home.

Ryan K, Manchee @rmanchee is MediaMind's resident technology visionary and creative strategist for North and Latin America.

# Ford Bets Big On Stratecry

With the success of GoFurther.com. more marketers will refine how, when and why they buy domain names



#### FORD LAUNCHED ONE OF ITS BIGGEST-**EVER BRANDING CAMPAIGNS** earlier

GoFurther.com

this year, and it did so quite unconventionally. The Big Three automaker retired "Drive One," a slogan now familiar to U.S. customers and introduced the tagline "Go Further" to a global audience.

Ford is investing a lot in this campaign. In fact, it's been reported that the company has dedicated the kind of budget usually reserved for new car launches. At an event in Detroit announcing the new campaign, Ford's group vice president of global marketing, Jim Farley, told automotive journalists, "Every part of the world is

launching [Go Further] on a car-launch level." Director of marketing communications Matt Van Dyke followed by saying that spending would be "consistent with how we launch a product. We have to use every single channel to bring Go Further to life."

While it's been reported that Ford is spending between \$30 and \$50 million on the campaign, what's most interesting is how it spent a mere fraction of that budget (\$10,000, to be precise).

The first ad to run in any new campaign plays an important role, setting the stage for long-term success or failure, which is why Ford's strategy was so significant. The campaign's first TV spot spends 60 seconds displaying beautiful images of new cars and highlighting their high-tech features. However, the ad never mentions the manufacturer or shows a car adorned with the recognizable blue oval. The only identifying feature appears on screen a little more than a second before it fades to black. The ad ends and, in a quick flash, we see the domain name: gofurther.com.

Almost immediately after the commercial aired, Ford garnered 3.4 million views to the site, as many views as auto brands see in campaigns built around the Super Bowl. Ford's strategy of emphasizing product over brand clearly paid off. While Ford is spending tens-of-millions on this campaign, it

wouldn't have worked without the right domain, which it purchased for a comparatively paltry \$10,000 a few weeks before the campaign's launch. To put it in perspective, that's less than 0.03 percent of its

total budget spent on one of the most critical components to its overall strategy.

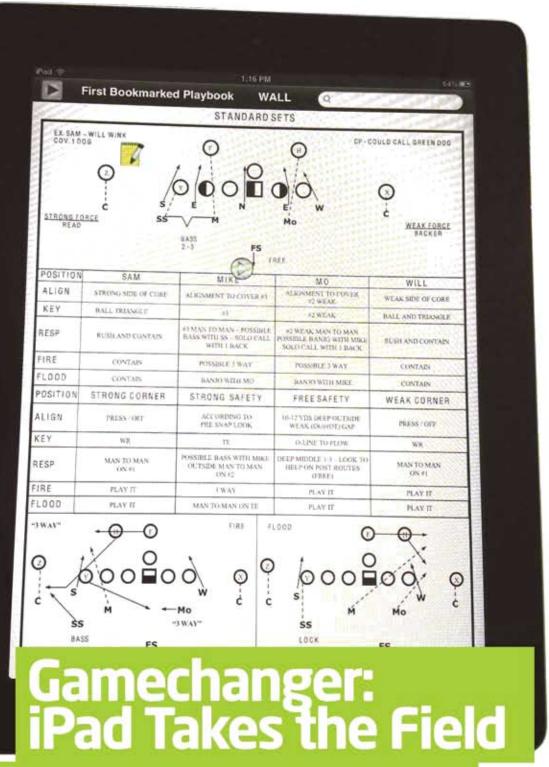
On the secondhand market, domain names can cost anywhere from a few dollars to a few million. Regardless of the price paid, they can be a good investment. Much like real estate, a domain has unique properties that dictate its value in the marketplace. That said, much of a domain's value depends on how it is put to use. Some companies do a good job of buying keyword domains to help boost organic search results; some invest in "category killer" domains that give them instant credibility and traffic from people typing generic terms into the browser's address bar; and some are masters at managing an entire portfolio of names for these — and dozens of other — reasons.

With gofurther.com, Ford continues to raise the online marketing bar. Over the past few years, the company has not only successfully reinvented its product with sleek new designs and high-tech features, but has also reinvented its image through savvy use of social media channels such as Twitter and Facebook, and the thoughtfulness it has put behind domains.

Domains have become such an integral part of how we navigate the Web that many people have started to take them for granted. Ford is a great example of a company that uses domains strategically (and proves the effectiveness of doing so). Any good marketing team - especially those working with consumer products — knows that they should be on Twitter and Facebook, but every tool has its benefits and its limitations. While social media can serve a distinct purpose, it's important for marketers to remember that their domains are their homes. It's the only online presence where a company has complete control and 100 percent ownership of its online real estate.

A \$10,000 price tag may seem like a lot, but when considered in the overall context of Ford's Go Further campaign, it was a bargain. Companies that strategically shop for domains that fit their brands, campaigns, keywords, or marketplace can find real value in a name. They just have to remember to look.

Heather DelCarpini is marketing team manager, North America, at sedo.com, a domain. marketplace and monetization provider.



Tablets are changing football, one playbook at a time

TECHNOLOGY GO TOGETHER LIKE

RANCH DRESSING AND WINGS. From
the old (instant replay technology,
those magical yellow first-down

lines) to the new (\$25,000 fines for sideline Tweets), it's a sport that's always looking for the next competitive edge. (We're still waiting for the day footballs are equipped with sensors, so we know when they break the goal line, and fans can wear headphones that let them eavesdrop on Tom Brady's huddles.)

But nothing has caught on as quickly as the humble iPad, which is now used by a wide swath of college and professional teams. OMMA's Sarah Mahoney caught up with Chad Q. Brown, business director for DragonFly Athletics, a Tuscaloosa, Ala.-based tech firm, to find out why drafting the tablet has been so transformative:

#### First, why is football so techhungry?

In athletics, coaches are always proactive in anything that can give them an advantage. And football tends to have the biggest roster at colleges, and the biggest budgets. So they lead the charge. They're proactive in technology for recruiting. And now, cloud-based software and mobile devices allow them to download video and study their opponent anywhere, and it's continuing to evolve.

#### What, exactly, does DragonFly do for teams?

It's like iTunes for college sports. We manage all the coaching video around the u.s., the video shot internally by coaches. Instead of people sending it in the mail on a weekly basis, you can now download it. There is some security around it too, so if there is video I don't want you to see, you won't.

We have 100 percent of the market of Division 1 and Division 1-AA, so we have a monopoly there with our core product. And then we have 70 percent of men and women's basketball, and just under 50 percent of

Olympic sports.

It's different for the teams who use our product in the NFL.

#### How so?

Colleges are using it as a teaching tool. And for the NFL, it's functioning primarily as a playbook.

#### What started it?

The iPad became the tool that was cool. So coaches knew that, and would use it to show kids slideshows and video. When they realized the potential, they turned it into a student experience: It's a one-

stop shop for players. It's a tool for learning—that's why we give it to kindergarten kids. Players can take notes, have their playbooks, which are easily updated, calendars, communications with the athletic department. In fact, Ohio State University recently said it plans to buy iPads for every student athlete.

Our app and software integrate with a school's editing software, so now they can pull out video and access it at Starbucks, and talk to their coaches.

The Baltimore Ravens and the Tampa Bay Buccaneers were among the first to experiment, and you've said The Miami Dolphins and The New Orleans Saints have been out front, too, with something like eight more teams in the NFL adding iPads last season. But some teams are still holding out. Why?

Certain teams, certain coaches,

DACH CAN DEO AT CIDS ON THE

ATHLETICS

certain GMs, they are nervous about being early adopters. They want other people to be the guinea pigs. And the New York Giants won the Super Bowl last year without an iPad system.

But more and more teams are signing on, and even though it wasn't introduced until 2010, I think that by 2013, every team in the NFL will be on it.

#### Playbooks are the most closely guarded assets in the NFL. What are the security fears?

If the team buys the iPad, not the player, there is much more control. You can block players from downloading Angry Birds, for example, or social networks. You can control updates.

#### How does it help coaches and players?

Honestly, it's about quality of life. It's a big deal that a coach can watch video at home, or use it to Skype or Facetime with his players, and still put his kids on the school bus.

#### Why is it a game changer?

I can see a day when the tablet is being used on the sideline, to replace the paper pictures they've been using for over a decade. I think when it comes to statistics and analysis during the game, the field is wide open. And I think it will eventually be a great way to engage fans.

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