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Institute of Marketing

Shape the agenda

What hasn't happened yet:
the shape of digital to come?

Issue No. 17, 2010

Foreword



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Head of Research

Arthur C. Clarke famously said, “Any sufficiently advanced technology is indistinguishable from magic.”¹ It is appropriate that in 2010, the year in which Clarke’s perhaps most subversive novel is set, we now routinely use technologies that at the time of his birth would have seemed like magic: robots that can guide us to our destination, somehow knowing exactly where we are; messages that can be read on the other side of the world a moment after they are sent; and animations that we can be part of as they are happening.

If technology has become magic, then marketers are the alchemists. A common criticism of marketing is that it manipulates people into making choices they wouldn’t otherwise make. The truth is somewhat subtler: that marketers now often know what customers are thinking before they themselves know. Websites can show us how to live our lives each day: it’s your mum’s birthday, so don’t forget to buy flowers; and your car insurance is due, so why not look at some different providers?

We sometimes feel we are buying things on the recommendation of a robot, and that scares us a little. But actually, we’re not listening to the robot; we’re listening to the collective human voice, which could not be heard until the robot amplified it. Identifying this insight is what is leading the greatest digital companies to success. This paper taps into some of the magic behind that success.

Contents

What hasn't happened yet: the shape of digital to come?

- 2** Summary
- 4** Pandora's box
- 6** The day they got inside my head
- 12** Modes of transport
- 14** Something impossible before breakfast
- 18** Singing from the same facebook
- 22** Meerkats versus mere campaigns
- 26** The shape of digital to come
- 32** **Useful resources**
- 35** **Courses**
- 39** **Reads**
- 40** **Knowledge**



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SUMMARY

What hasn't happened yet: the shape of digital to come?

There is an assumption that the internet opens up, to the customer, a world of possibilities, but, in reality, people tend to stick to the same five or six sites that they know and trust. Within these small 'villages', the marketer is replacing the shopkeeper – offering the customer things they might not spot themselves, recommending and suggesting alternatives, and frequently acting as post office, doctor, travel agent and village gossip along the way. With people self-selecting the villages they inhabit, marketers need to ensure they have a presence in those places, rather than trying to drive customers to their own sites, which is increasingly a much harder proposition.

We are reaching the point now where there is so much information being produced daily that we don't have the brain capacity to deal with it. As a result, we are relying on computers to do much of our information processing for us. This isn't necessarily a bad thing, but it means that customers want their computers to do more of the hard work.

Key to effective digital marketing is creating a dialogue with the customer, and then maintaining that dialogue. This is easy to assert, but a challenge to do successfully in practice. The answers include listening first and marketing second. Find ways of successfully blurring the line between advertising and content: desired content that incidentally markets a product is far more successful than our current default position. Don't 'target customers': talk to people. A culture where failure is accepted as part of the development process is needed, and the fact that the internet is so measurable must not allow it to be demoted to an acquisition tool.

A vital component of keeping the conversation going is trust. Again, this is self-evident, but the challenge comes in creating and maintaining that trust. One of the answers is to draw the distinction between impersonal data and personal information, something that, done successfully, could help alleviate fears over privacy.

“There is now so much information being produced daily that we don't have the brain capacity to deal with it.”

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Pandora's box

Yahoo! collects about 10 terabytes of data about its customers every day. To put this into context, that is roughly the same amount of information Tesco Clubcard collects in a year, a remarkable statistic in itself. In numbers, this is equivalent to the printed collection of the US Library of Congress – some 10,000,000,000,000 bytes.ⁱⁱ

It doesn't take long to see how this data can build up a picture of customers and begin to understand them in ways that can regularly direct exactly the right message to the right person. Guy Beresiner, Head of Commercial Development at Yahoo!, gives the example of a car supplier, for which it might take three years for its database of customers to be able to target someone who is likely to buy a car in the near future. Yet, when online data reveals a trend, this timescale can be reduced to a few minutes. "If a customer looks at particular models of car, then looks at some loans, the linked behaviour builds

the picture and strongly suggests they're in the near-term market for a new car."ⁱⁱⁱ At this point, a targeted ad can appear on that individual's computer for the kind of model of car they were beginning to think of buying – and that's when technology appears to be like magic.

The ethics of this need discussing. Many customers feel uncomfortable about the way in which companies can potentially target them like this – and companies do, as well. There have already been legal concerns over 'behavioural advertising' (when companies use cookies to aggregate trends about what you have been looking at, and then use those trends to target you with offers), and this doesn't come recommended while the legal implications are still being examined.

The answer for Beresiner is to distinguish between personal information and data. "When

it's data, customers are usually happier about it being collected; but identifying the line between impersonal data and personal information is vital." Equally, transparency of usage is the way ahead for Beresiner. "If you are transparent and, say, you are receiving this advert because you followed a particular path, customers become accepting of that."

Perhaps the difference is that, currently, people still feel instinctively that when they look at a page online, they are in a private space. More realisation that the internet is a public space (understood in theory, but not in practice) will help customers be more aware of their security online, and less uncomfortable with connections being drawn from their usage.

For Yahoo!, there is no distinction to be made between which data is personal and which is not: "We simply do not collect any personally identifiable information about our users," states Beresiner. "Despite this stone-cold fact, the privacy debate continues to rage, partly because some vocal groups refuse to believe this is true."^{iv}

It is also worth communicating that the quantities of collected data are not actually all that higher than the kind of data people have access to themselves, on their own PCs; the average home computer now holds something like half a terabyte. (One terabyte is 1,000 gigabytes.) When you add

Most people still feel instinctively that when they look at a page online, they are in a private space

the amount of information that is freely available to every user on the internet, the individual has access to this quantity of information; and if it is data, it is not personally intrusive. The keys to a trusting relationship remain being open about data collection, letting the customer know what their data is being used for, advising them where it was accessed from and committing to destroy it when it is no longer needed, or when requested to do so.

TWO:

The day they got inside my head

Digital marketing is reaching a tipping point – some 17% of companies surveyed by The Chartered Institute of Marketing say that online advertising spend has now overtaken offline spend, and a further third expect this to happen within the next five years. Evidence from the Institute's Marketing Trends Survey, conducted by Ipsos MORI, indicates that marketers will

as the economy emerges from recession. While advertising overall is declining severely, digital advertising is bucking the trend and increasing ROI.^v

There is an intuitive assumption that the internet widens our communities. However, the reality is that people don't particularly behave like this. Think about how you use websites: do you go to new ones each day? Do you regularly explore the web, or do you stick to the tried and tested sites? Most of us choose to belong to particular 'villages', small clusters of people with whom we regularly communicate, and use a small number of websites that we visit frequently. The difference between the kinds of village we inhabited in the past is that this time, we choose the village; we can decide on our community, rather than it being decided for us by the geographical place where we happen to live. This is why social networking has been so successful,

Digital marketing is reaching a tipping point: some 17% of companies surveyed by the Institute say that online advertising spend has now overtaken offline spend

look towards digital marketing more than ever before to create better return on investment for companies



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so quickly. Faced with the magnitude of the internet, people want a manageable map of places they visit online, and want to feel that these places are populated by similarly-minded people. When they can accept or decline invitations and create their own map, people willingly join the networks.

Similarly, when on a web search, most people don't look beyond the visible half-page of results, and only 19% go to the second page.^{vi} This means that encouraging customers to come to your particular offering becomes harder if it isn't a site they already recognise or trust, ie if it is not already in their particular 'village'.

There are several insights to draw from this. Firstly, it indicates that the consolidation of digital-only suppliers will continue – one dominant player (such as Amazon) quickly ousts all the competition. It is likely that travel sites and hotel sites will soon follow this model, as smaller ones get swallowed up or superseded by the main player. Secondly, for companies considering whether to set up their own social networking site (for instance) or use an existing platform, the existing platform will win every time. As Chris Dadd,




Head of Mobile CRM at RBS points out, “Customers ignore most messages that don’t come from brands they use already. Even then, they don’t automatically trust them.”^{vii} Companies need to inhabit the spaces their customers already inhabit, such as Amazon, AOL, BBC, Facebook, Google, iPhone apps, Microsoft, Skype, Twitter, Yahoo! – and a few more. This is vital because it’s far easier to reach customers where they already are, than trying to drive them towards your own site; and they trust these sites, because they already use them and are comfortable with them being in the village.

Thirdly, it indicates that the idea of something being within easy reach because it is only ‘a click of a button away’ is an unhelpful cliché. Mike Reddy, Senior Lecturer in Computing at Newport Business School, says, “The barrier to entry is much smaller, given the potential audience, but there is also the fact that individuals can be swamped.” Reddy gives the example of iTunes’ App Store for iPhone applications as being “one individual making several million dollars a year, while thousands sink into obscurity because their apps are never seen by purchasers.”^{viii} The challenges, then, for marketers are to identify

with this ‘new village’ mentality and find ways of persuading customers still to visit their companies online.

“The consolidation of digital-only suppliers will continue – one dominant player quickly ousts all the competition”

The digital marketer is replacing the shopkeeper in these self-selecting villages: “You liked this DVD? Here’s another film you will like. We also know what kind of music you enjoy, so your radio will start playing it automatically. And as you’ve been to Cyprus recently, have you thought about going to Crete or Egypt? Click here and we can do you a deal on hotels and taxis.” Some of these ideas (guessing which music you’ll like, playing it to you automatically, and learning from you if you indicate you don’t like it after all) are radical, yet we’ve quickly become used to taking such services for granted, and we don’t find them as alien as we did a few years ago. There is much potential for future digital marketing from this insight: satnav systems could remember your



“The digital marketer is replacing the shopkeeper in these self-selecting villages. You liked this DVD? Here’s another film you will like”

favoured journeys, and learn whether you are likely to want the fastest route or the easiest; and text-based reminder systems could identify which customers will most need the reminders (patients who consistently miss appointments, for instance) and amend the communications accordingly. Knowing who doesn't want to be contacted is also part of this insight.

However, there is an invisible line where innovations become unwanted. Self-ordering fridges, for example, haven't caught on because there is something indefinably creepy, rather than helpful, about them. Arthur C. Clarke's contemporary, Isaac Asimov, wrote about this kind of 'robophobia'.^{ix} Indeed, today's robot manufacturers know that there are cardinal 'do not's' that any future home robots will need to overcome if we are to ever seriously have robot helpers in our homes. (Do not walk up to a human and address them without making eye contact, for example.) The take-out is that whenever an innovation crosses the line to seem like control rather than a service, it doesn't work. This is the case for marketers working over the next decade

or so, but it is interesting to ask whether a cognitive shift will take place in a generation growing up at home with interactive technology.

How can companies 'inhabit the spaces' where their customers already reside? Consider how Sainsbury's used Yahoo! Answers to post recipe suggestions, in a thread that was designed for individuals rather than companies. In this instance, customers enjoyed the contributions and found them useful. There was no sense of intrusion, and the brand building, whilst not measurable, was valuable. However, when American Apparel opened stores in Second Life, the reaction was very different: it was perceived as an invasion of space, and the Second Life Liberation Army appeared, destroyed virtual stores and shot anyone wearing AA clothing.

The difference between success and failure depends on understanding how customers see their personal spaces. The issue in the future will be whether or not the company trying to use the platform understands the village etiquette or not.

Modes of transport

Creating this level of mutual trust is essential because we are reaching the point where there is too much information being created and disseminated for people to absorb. Bruce Kasanoff, Managing Director of the Now Possible personalisation consultancy, points out that every industry on earth has been shaped by limitations of the human brain. For example, a doctor can typically diagnose 300 to 500 ailments. This isn't because there are only 500 human illnesses or diseases, but because doctors can't keep much more information than that in their heads. Kasanoff says that personalised medicine firms are discovering critical differences between the 'same' cancer afflicting two different people. There is a lesson for marketing here; customers want different things, and companies provide them. The digital sphere offers a great opportunity to target more personally because it can aggregate data and home in on an individual's interests and preferences.

Kasanoff believes some companies' websites could reshape themselves to serve an individual customer's current needs. These instant reshapings, or 'modes' as Kasanoff defines them, describe a customer's state of mind, such as 'in a hurry', 'just browsing' or 'I need fashion advice'. Companies can no longer ignore the fact that people's needs or moods change from moment to moment. Classical segmentation does not take this into account; digitally, we're able to do something about that. "As a consumer," Kasanoff explains, "I don't want more targeted marketing; I want my computer to work better with merchants' computers."^x There is a whole generation growing up that expects its content to be delivered in the way it wants to receive it. We need to adapt to this demand, and, although there is a need for consistency, perhaps tailored websites are one way to achieve this.

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FOUR:

Something impossible before breakfast

We are all familiar with the problems of getting messages to stick and getting a brand noticed; people now see something like 625 messages every day.^{xi} Can the digital environment offer any new answers? One way is to absorb the message into the kind of content that customers want to see – ‘marketing that doesn’t seem like marketing’, if you will. The Guinness Pub Finder, a GPS-enabled app to help you find a pub that serves Guinness, is an example of this. The advertising benefits of this are obvious, but the reason it works is because “It responds to a user need,” according to Peter Sieyes, Global Digital and Relationship Marketing Director at Diageo.^{xii} Researching the app, Guinness found that a common request from drinkers was finding a pub that served their pint of choice. If the ‘marketing that doesn’t seem like marketing’ is based on insight – I want to find a pub that serves Guinness – then it will work. (There are risks to this kind of blurring of the line between content and

advertising. The UK implementation of the Unfair Commercial Practices Directive tightens the law on marketing that does not make clear its commercial origins. As long as companies are transparent about where any such advertising comes from, they should stay safely on the right side of the law; but it is worth alerting marketers to the fact.)

This is ‘pull’ marketing at its best because it doesn’t force something unwanted on the customer – it responds to what they want. To work, pull marketing must have compelling content and it must respond to customer insights. The difference for Sieyes between successful digital marketing in this way and classical marketing is rather like the difference between pinball and tenpin bowling. With tenpin bowling, you fire a heavy ball at a predictable set of pins, and you keep going until they topple over. A ‘push’ campaign involves firing messages at the customer, hoping that some of them will hit

their target. The pinball wizard, on the other hand, keeps a ball rattling back and forth for as long as possible. Knowing that the to-and-fro motion creates more energy, the big scores can be hit as long as the player keeps the ball in motion long enough, and understands which areas of the table have the biggest multipliers.

This is an analogy for effective digital marketing: creating a dialogue with customers and maintaining that dialogue. “In the digital era, much of the energy has shifted from marketer to consumer in the networked ‘tribe’, and the communications process is less linear,” Sieyes points out.^{xiii}

Cadbury achieved this with its revived Wispa Gold brand. The drive came from Bebo and Facebook campaigns to bring the defunct brand extension back to life; it was not something Cadbury had thought of. Not only did Cadbury listen, and take the advice, it also became active on the same platforms that the fans were using, and asked, “What else would you like us to do?” The company gained considerable credibility from this, in a sector not known for its dedication to technology, and sales were

impressive – 1.2 million bars sold in the first week after its re-launch.^{xiv}

Keeping a conversation going with customers is easy to say, though. How, in practice, do you do it? “Our brand teams need to live online like our customers do,” says Sieyes. The problem many companies have is that marketers do not spend enough time doing this. “No one will challenge a print or TV advert, because they’re tried and tested, the budgets are established. But lots of people will challenge something new.” The onus on innovative campaigns to prove their worth is the largest stumbling block to innovation; there is a need to create a culture where risk-taking is more acceptable, and an occasional failure is part of the development process. “It’s hard for marketers to imagine just how much opportunity there is for brands in the digital space,” Sieyes concludes, “without spending significant time online and gaining a deep understanding of the way the customers we want to reach live their digital lives.”^{xv}

Key to the success of the Wispa resurrection was listening first, and talking later. It seems an obvious point, but almost all marketing still does things the other way round:



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running a campaign, seeing what people think of it, then responding later (or not responding at all). Think of how a film is marketed. The dialogue with the customer does not begin until the finished film is, literally, in the can. Contrast this with how a computer game is marketed. Signed-up users are asked for their input, and are allowed to test-drive prototype versions of the game. The user thus becomes an advocate, feels privileged and becomes brand-loyal. The company learns from the user, and produces a better final product. There are lessons here for marketing in all areas, not just in digital: create a dialogue, and listen to the customer before the product or service is released, amending it along the way.

Hugh Murphy, Business Manager for e-channels at 3M UK & Ireland, argues that if part of the marketing role is to evangelise, training marketers to listen can be as important as teaching other skills. Murphy also points out how important it is to use the same platforms as the people you're trying to reach. When 3M started to use social sites for recruitment purposes, it jumped from receiving 2,000 applications in a year to over 5,200 applications in the first six

weeks of the campaign (spending, incidentally, a quarter of the usual budget along the way). If you make it easy for the individual to find you, and do it in ways in which they want to communicate, it becomes much easier to maintain the dialogue.

"We customised the landing page for the universities we wanted to target," says Murphy (an example of Bruce Kasanoff's 'modes' in action) "and encouraged graduates to post reviews" (an example of keeping the 'pinball' conversation going). "One excellent graduate admitted they would not have thought of working for 3M if they had not seen the recommendation on the site."^{xvi} Because graduates are familiar with using the networks, it is vital that companies understand them also, and use them to develop dialogues with younger generations. Talking to them in the right way means dropping the corporate tone of voice that can sometimes result in a disconnection between company and person. As Daniel Rowles, Managing Director at ArtReview puts it, "They need to think 'somebody within the organisation' rather than 'the organisation itself' is communicating."^{xvii}

Singing from the same facebook

One way to create and maintain a conversation is to become what people are talking about, rather than interrupting the conversation and hoping they'll let you join in. T-Mobile did this successfully with its 'flash' dance group at Liverpool Street railway station. Carefully planned to look like commuters

ideas, and with some 50 Facebook groups and over 2 million YouTube views in a week, the ideas came thick and fast.^{xviii}

Again, the importance of using the platforms that people already use cannot be overstated. T-Mobile took the radical choice not to try to push customers to its own website, but instead to drive them to YouTube (and other user platforms). The fear at this point is that although it might generate buzz, that buzz doesn't necessarily translate into increased sales. T-Mobile correctly assessed that the purpose of the campaign was to create a brand, not to create sales – get the brand right and the sales will follow. This intuition paid off, as sales increased by 22%^{xix}. This is where the frontier between the brand being in control of the conversation (classical marketing) gives way to behind-the-line power, enabling the customer to take charge, and gain benefits that way. In many ways, this

Companies can no longer ignore the fact that people's needs or moods change from moment to moment

spontaneously coming to life, the initial event sparked interest which the online platforms could then maintain. The plan was to get consumers to suggest new

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model makes things easier for the company; you can reach the point where the customer does much of the work for you.

It is well known that viral campaigns succeed in this way. Taking the view that word of mouth is the best form of marketing of all, viral capitalises on the fact that the user may disregard an advert or a commercial message, but will take note of what a friend says. The challenge is to identify the triggers that can make a campaign go viral in the first place. One example that is often referred to in such discussions is Cadbury's Gorilla advert, yet this was never planned to be a viral campaign. It was a conventional TV advert, but after a few people posted it on YouTube, its momentum gathered from there, without intervention or expectation from Cadbury.

What Cadbury inadvertently did achieve was to make the campaign memorable, yet flexible enough to be copied. The drumming gorilla has inspired tributes from the gorilla being re-cut to appear to drum the theme from *Eastenders*, to mock copycat adverts such as a woman in a Wonderbra playing the song, with the tagline

Two cups full of magic (a riff on Cadbury's A Glass and a Half Full). Mastercard's Priceless campaign and Barclaycard's Waterslide adverts are two further examples of good ads that can be copied to help them go viral. Incidentally, they are also excellent examples of how to effectively differentiate products that can be hard to distinguish, ie financial services.

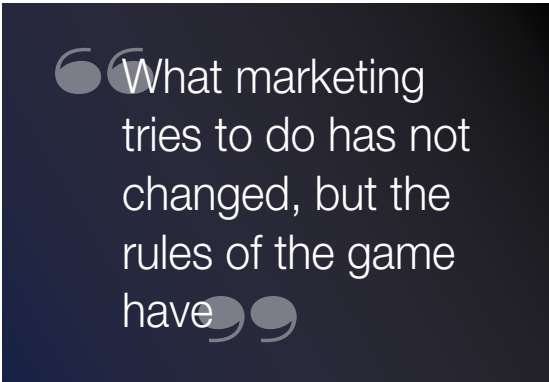
Word of mouth has long been accepted as the best form of marketing; the difference now is that the word of a complete stranger can be more powerful than the word of a friend. The reasoning goes like this: if I am on a networking site and post "I bought a wok today", sooner or later someone will say, "Where did you get it from?" Someone else will ask, "Who made it?" If a friend says, "Well, don't buy Bob Smith Woks, they're awful," that word of mouth can be influential. I'll believe my friend more than any advertising. However, if six people come in above this and say, "Ignore that; Bob Smith Woks are fine", the collective voice – the voice of a complete stranger – will win, and not the opinion of a friend. Guy Beresiner raises an interesting point: how many networking posts

are entirely free of potential brand associations? The percentage is not as low as we might think. You can test this with a random audit of friends' posts: "Natalie booked a holiday today." "Adam needs a coat that can cope with the snow." "Manfred's new shoes are too tight."^{xx}

Product recommendations from real people carry more influence, Hugh Murphy argues, "because they are more credible". Real people don't tend to have a hidden agenda, "so their views are unbiased", as opposed to marketing messages, which most people now automatically treat with due caution.^{xxi}

The guerrilla marketing campaign that saw Rage Against the Machine top the charts at Christmas 2009 was customer-led, magnified by a desire to fight a perceived dominance of *X-Factor*-style music. Just as Procter & Gamble and Unilever can dominate the marketplace by owning brands that compete with each other, Universal Music succeeded with Rage Against the Machine versus Joe McElderry because it had signed both artists. The success of the Rage Against the

Machine campaign on Facebook demonstrates the marketing potential of social networks when the users feel passionate about a subject. The insight is that it is passion that drives something like this, and the challenge for marketers is to identify and stimulate that passion for their products and brands.



What marketing tries to do has not changed, but the rules of the game have

Meerkats versus mere campaigns

If the first rule is to make your campaign easy to copy, the second golden rule is not to try to control it or censor copies that you don't like once it starts to roll, especially if the copies are uncomplimentary to your brand. Cadbury did not interfere even when the copies became risqué or potentially damaging. The overall benefits to the brand and to sales are much higher when the urge to meddle is resisted. The Wonderbra tribute was eventually removed from YouTube, but this was not because of complaints by Cadbury; it was because of infringement of copyright in the use of *In the Air Tonight* by Phil Collins.^{xxxii} As Hugh Murphy points out, "Even if you can control certain areas of the brand, your customers are still out there talking about you."^{xxxiii} It is far better to accept that anything out there is in the public domain and maintain good relations wherever possible.

Take ComparetheMarket.com's Compare the Meerkat campaign. The 'stickiness' of this site is easy

to understand: the characters are likeable, and the adverts are entertaining. Most cleverly (and in contrast to much advertising of its kind), the campaign finds a way of repeating the company name several times (thus achieving brand recall) without seeming irritating. The results speak for themselves: from January to August 2009, there was an 83% increase in traffic to ComparetheMarket.com's website,^{xxxiv} direct traffic rose to 50% from 30%.^{xxxv} Aleksandr Orlov's Facebook page has 600,000 fans,^{xxxvi} and the tagline 'simples' has become an entry in online dictionaries.

Does all this convert directly into sales, however? For anyone doubting that sites like Facebook and Twitter are capable of being used to make money, consider recent evidence from Dell, which claims it made \$3.5 million in less than six months from Twitter.^{xxxvii} This comes from a mixture of 'marketing that doesn't seem like marketing', along with

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more straightforward information feeds. The DellOutlet profile on Twitter has almost 1.5 million followers, which Dell uses as a viral system. Discount offers are posted daily, which are then frequently re-tweeted, thus attracting new followers. DellOutlet can measure conversions transparently from this, but it is still unclear how many of those purchases would have been made had the discounts not been offered. It is also likely that these viral offers work at the moment (because they appear to be posted by the user, not the company) but will soon be regarded as yet more spam. Marketers need to work harder than this if the model is to be a sustainable one.

promotions and special offers by the site". Forty-eight per cent had responded to an advert they'd seen, and, perhaps most startlingly of all, some 44% of those surveyed had themselves become an endorser by recommending products they'd seen to other users.^{xxviii} Viral marketing may yet be more powerful than even marketers using it as a matter of course realise.

One of the problems of measurement for Guy Beresiner of Yahoo! is that because the internet is so measurable, you can risk losing some of its value by an insistence on measuring everything. "Some companies, for example, will only do internet campaigns that are accountable, but this demotes the internet to an acquisition channel, and ignores the reasons why people are there in the first place." The same companies are comfortable with the idea of radio or print adverts, for instance, which do not have the same accountability, accepting that building the brand and generating awareness and interest are good investments. "There are risks that the internet can be denied this useful role," says Beresiner, "and there are sound reasons for brand-building online and not expecting instant results."^{xxix}

You cannot control your brand, but you can create an environment where customers build it for you

Despite this, a recent survey from Performics and ROI Research found that "44% of Twitter users are happy to be alerted about

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The shape of digital to come

To gain insight, marketers need to live online, the way their customers do. Customers regard their personal spaces very differently to companies; the difference between success and intrusion on spaces like Facebook and Second Life depends on an empathic understanding of this, which is only fully understood by spending time in the same online places as customers. Without doing so, the chances of being welcomed by customers plummet, and being welcomed is key to future success. For Max Bonpain, Head of Marketing, Telecommunications Division, at Samsung, the future of digital “will mainly be mobile, be it on computer tablets or smartphones. Therefore, two key technologies will change the digital world: location-based services (especially from a social networking point of view) and augmented reality. The digital experience will be transformed.”^{xxx}

What marketing tries to do has not changed, but the rules of the game

have. A company can no longer control its brand, or how it is perceived. It is vital that companies operating in digital spaces acknowledge this and follow its implications. Trying to censor comments doesn't work; trying to be selective about how customers perceive you will never lead to success. In essence, this means listening first and responding later. This is still the inverse of how most marketing campaigns are conducted, despite the point being understood and widely accepted in theory.

Although you cannot control your brand, you can create an environment where customers build it for you. To create the mutual trust that is needed between company and customer, weave the marketing into the online lifestyle. Sainsbury's got this right on Yahoo! Answers; American Apparel got it wrong on Second Life. 'Marketing that doesn't seem like marketing' works, as long as it does not try

DIGITAL COVERAGE

The digital revolution has not yet reached the top of its curve – growth continues apace, yet there is still plenty of room for further expansion. Over 90% of adults use mobile phones, 73% use the internet and 89% use digital television.^{xxxii} Considering how ubiquitous we now consider those three areas to be, it is tempting to use the word ‘only’ in front of the statistics, and it is perhaps surprising that there is still plenty of room for more penetration.

Digital marketing is about to move into a dominant position, versus conventional forms. Already, 17% of companies surveyed by The Chartered Institute of Marketing (in the UK) report that their online marketing spend has overtaken offline spend. Remarkably, this figure is expected to be almost 50% within five years. Research from the Institute also shows that whilst most forms of advertising are delivering lower returns on investment, digital marketing bucks this trend and indeed delivers significantly better ROI than other types of media.^{xxxiii}

In line with this are figures showing that the highest positive change in spend in the near future will be in online activities (including blogs and social media, as well as online advertising): +2.5% increased spend across all sectors, rising to +4.9% amongst technology and telecoms companies.^{xxxiii} Major companies, such as Nike and Orange, have indicated that, in future, they will only be advertising digitally. This is a precedent that we believe many other companies will soon be following. At the same time, statistics from Ofcom’s *UK adults’ media literacy* report show huge growth in usage of all digital media, with the long-awaited upwards shift in usage by older people now being reported.

THE EVOLUTION OF 'HOMO MARKETUS'

As a demonstration of how far marketing technology has evolved in recent times, it is worth seeing how different our environment is from just 30, 20, or even 10, years ago. It is not so long since being 'out of the office' meant being literally incommunicado. In the space of five years, convergence on portable devices has made this a memory.



1900

Telephone
Radio
First electronics
Air travel



1950

Computer with
256 bits
Television (one
channel)
First satellites



1980

Fax machine
Home computer

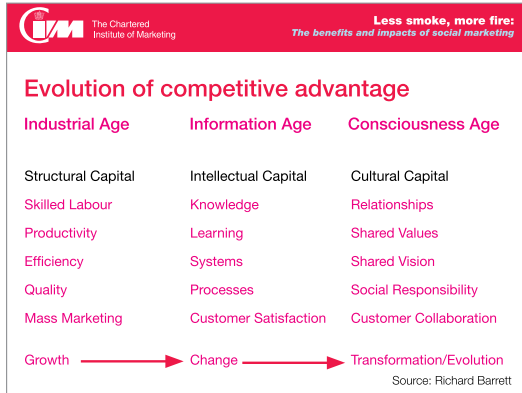


1995

CRM systems
Internet
Email
Mobile phones

The above dates approximate popular take-up, rather than invention, and cover the intervening years.

The diagram below is Richard Barrett's suggestion of how competitive advantage evolves from an industrial age to a 'consciousness age' of shared values and customer collaboration. The image dates from 2006 and it is arguable that we are now at the point where this consciousness age is becoming a reality.



2000

TV on demand
500+ channel
satellite television
Search engines
Broadband
Bluetooth



2005

Pay per click
Search engine
optimisation
Nanotechnology
Wi-fi
Blogs
3G phone
technology



2010

Social networking
Home computer
1TB storage
Internet and
email on portable
devices and
phones
iPod
Advert
personalisation
Convergence of
all of the above
and other media,
eg TV and radio



2020?

Direct brain to
computer link
Holographic TV
Smart media
currency
3D home printers

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to disguise its commercial origins. Be transparent about commercial messages. Be open about which data is collected, what it is used for and when it will be disposed of. To counter the fears about privacy, we need to communicate more the fact that what is collected is only 'data' – we do not need to know about people's lifestyles, or personal information, to be able to target them with the kind of offers they want to see.

Tapping into the village mentality of customers means ensuring visibility on the platforms they are already on, such as Facebook, Google, Skype, Twitter and

Yahoo! There is a quiet revolution going on, in which the word of a complete stranger can influence our purchase decisions more than any marketing. We still talk about targeting customers, when we shouldn't be talking about customers – we should be talking about people. And we shouldn't be targeting them – we should be talking with them. We know these things instinctively, but doing them in practice is a challenge.

“As the internet is so measurable, you can risk losing some of its value with an insistence on measuring everything”

Useful resources, notes and sources

The Chartered Institute of Marketing thanks the contributions of many organisations and individuals. The following are particularly thanked for their involvement. Views expressed in the body of the paper are not necessarily the views of the individuals below, except where quoted directly.

Ian Armstrong,

Manager – Customer Communications,
Honda (UK)

Nick Baggott,

Founder
Navigate Consulting

Guy Beresiner,

Head of Commercial Development,
Yahoo!

Max Bonpain,

Head of Marketing – Telecommunications
Division,
Samsung

Chris Dadd,

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Donna Galt,

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Digital Birmingham

Bruce Kasanoff,

Managing Director,
Now Possible

Andrew Morton,

Marketing Director,
Spiders and Milk

Hugh Murphy,

Business Manager, e-Channels,
3M UK and Ireland

Dr. Mike Reddy,

Senior Lecturer in Computing,
Newport Business School

Daniel Rowles,

Managing Director,
Art Review

Howard Scott,

Director of Digital Marketing,
Sequence

Peter Sieyes,

Global Digital and Relationship
Marketing Director,
Diageo

Rob Smith,

Digital Director,
Blueleaf

Anthony Tasgal,

Marketing practitioner and trends specialist

Ian Williams,

Director,
Jericho Marketing

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Most companies realise the importance of gaining visibility in the natural or paid listings of the search engines to growing sales. This has made search engine marketing extremely competitive. To succeed, marketers need to know the latest on the ranking factors and tools to use which will help them compete, either through working with search agencies, or through doing search engine marketing in-house.

Who this course is for

This workshop has been specifically designed for internet marketers responsible for building their organisation's electronic presence and optimising the use of limited funds to achieve their electronic marketing objectives.

Course details

Course length	1 day workshop
Level	Foundation
Price	£499.00 + VAT

More information and course dates online at www.cim.co.uk/1157

Introduction to Digital Marketing

Every marketer needs to learn how to exploit digital marketing tools and techniques to improve their customer value proposition and overall competitiveness. That means designing an accessible, usable and value adding website, and using interrelated digital marketing tools to drive traffic, conversion, positive experience and referrals.

Who this course is for

This workshop is designed for people/organisations who want to get a better understanding of the key digital marketing tools and techniques with a view to improving and measuring the return on their digital marketing effort, activities and investment.

Course details

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Level	Foundation
Price	£499.00 + VAT

More information and course dates online at www.cim.co.uk/0764

Social Media Marketing

This course will give you a complete guide to your options for using social media to naturally interact with your audience, to better understand them and positively influence them. All marketers are naturally concerned by potential damage to their reputation caused by negative 'buzz' and want to know the options for managing negative comments. The course also fully considers your options of techniques, tools and suppliers.

Who this course is for

The course is for those who need to know more about social media and social networking so they can assess its relevance, plan an approach or implement social media.

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Level	Foundation
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You owe it to your business to manage today's on and offline direct relationship opportunities. By understanding how to integrate viral campaigns you will be better placed to reunite the current multi-faceted communications channels. In doing so you can enhance profits whilst demonstrating true kinship with your employees, customers and partners – even during tough economic times.

Who this course is for

Anyone with either a foundation understanding of viral marketing and Web 2.0 communications, or who wishes to be introduced to this important communications platform.

Course details

Course length	1 day workshop
Level	Foundation
Price	£499.00 + VAT

More information and course dates online at www.cim.co.uk/0952

Digital Marketing

This course gives a comprehensive guide to best practice in all the main aspects of online marketing that need to be managed by different forms and parts of an organisation. The aim is to equip delegates with the knowledge to ask the right questions when reviewing approaches with team members and agencies, or when developing a plan that will be implemented by the marketing team.

Who this course is for

This is a practical course for everyone involved with hands-on management of digital media channels and/or website content and services, and email campaigns. You may be an e-marketing specialist or marketing manager responsible for keeping different digital communications flowing, either through direct execution or management through other staff or agencies.

Course details

Course length	3 day residential programme*
Level	Advanced
Price	£1795.00 + VAT

*Non-residential option available

More information and course dates online at www.cim.co.uk/0066

Online Marketing Masterclass

This course will enable you to review your current approach to online marketing in the light of the most significant trends and techniques in digital media marketing and changes in media consumption and buyer behaviour. You will be able to identify and prioritise the digital marketing activities which must be improved to prosper online.

Who this course is for

For individuals with a good understanding of the business benefits of online marketing, but who feel frustrated by the lack of established processes and standards for managing the process. This course is also suitable for marketing managers and senior brand managers.

Course details

Course length	2 day residential programme*
Level	Masterclass
Price	£1650.00 + VAT

*Non-residential option available

More information and course dates online at www.cim.co.uk/0189

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Socialnomics

Erik Qualman
John Wiley & Sons
£16.99

In *Socialnomics*, Erik Qualman offers a fascinating look at the impact of social media on business to reveal what the future holds and how businesses can best take advantage of it. He explores how social media is changing the way businesses produce, market, and sell products; how it eliminates inefficient marketing tactics and middlemen; and how businesses are connecting directly with their customers through popular social media platforms.

Social media will continue to change the way businesses market products, and how consumers and businesses interact with each other. If you're a marketer or business owner, the big question is whether you'll keep up with those changes. *Socialnomics* is an essential resource for anyone who wants to understand the implications of social media, and how to tap its power to increase sales, cut marketing costs and communicate directly with consumers.



Understanding Digital Marketing

Damian Ryan and Calvin Jones
Kogan Page
£19.99

One of the central tenets of this excellent, accessible and eminently practical book is that whilst TV and print media are in decline, digital media have transformed themselves into a finely tuned engine delivering more power, opportunity and control than any other form of media could dream of.

The authors argue that in the developed world at least, ordinary people, your customers, are using digital media without a second thought. What's more, 'digital natives', people who have grown up with the internet and digital technology as normal, are now entering the workplace in increasing numbers.

The authors highlight the rapidly unfolding opportunities and give advice on choosing the right online advertising and marketing channels for your business. With coverage of digital strategy, search engines, measurement, email, social media, online PR and affiliate marketing, it is one of the most comprehensive, yet easy to read, books on digital marketing available.

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ISBN 978-1-907368-00-4

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