

Marketing In the Changing Media Landscape

- Creating Brand Awareness
- One Way
- Major Mass Media
- Media Centric
- Interrupt & Repeat

Consumers' Main Media Choices Have Mushroomed...


1966

- 1 Newspapers
- 2 Broadcast TV
- 3 Magazines
- 4 Broadcast Radio
- 5 Eight Track



1986

- 1 Newspapers
- 2 Magazines
- 3 Cable TV
- 4 Broadcast TV
- 5 Radio
- 6 Cassette Tapes
- 7 Walkman
- 8 VCR
- 9 Cable TV
- 10 Personal Computer
- 11 Console Video Games
- 12 PC Video Games



2006

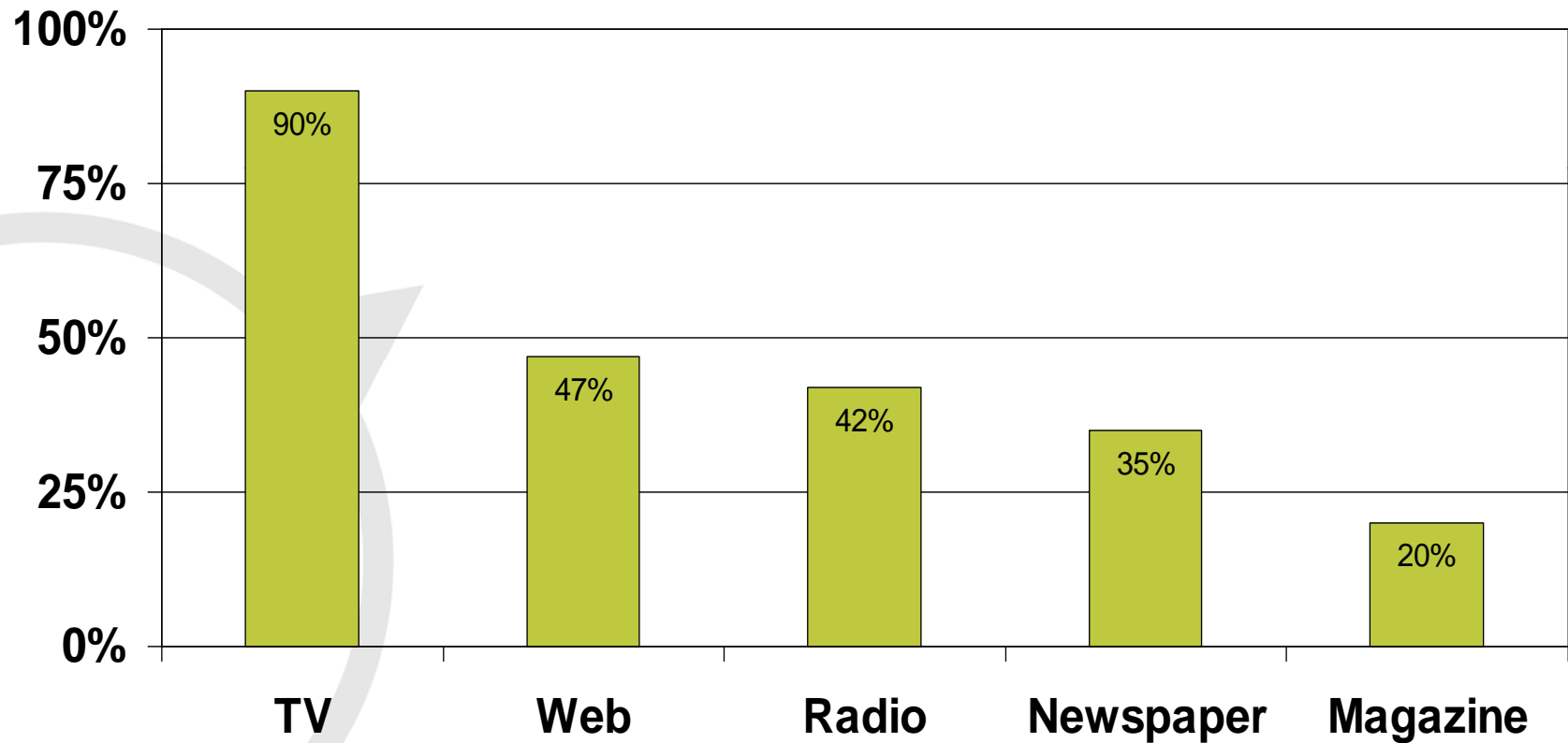
1 Newspapers	23 MMORP Games
2 Magazines	24 Mobile Games
3 Email	25 Text Messaging
4 Broadcast TV	26 Mobile Video
5 Radio	27 Download Movies
6 CD Player	28 Podcasts
7 Cable TV	29 Instant Messaging
8 Personal Computer	30 Social Networks
9 Satellite Television	
10 Internet	
11 Cell Phone	
12 DVD Players	
13 Satellite Radio	
14 MP3 Players	
15 Tivo / DVR	
16 Slingbox	
17 iPod	
18 Blogs	
19 Online Video	
20 Mobile Internet	
21 Console Video Games	
22 PC Video Games	



Internet is Number Two Media at Home



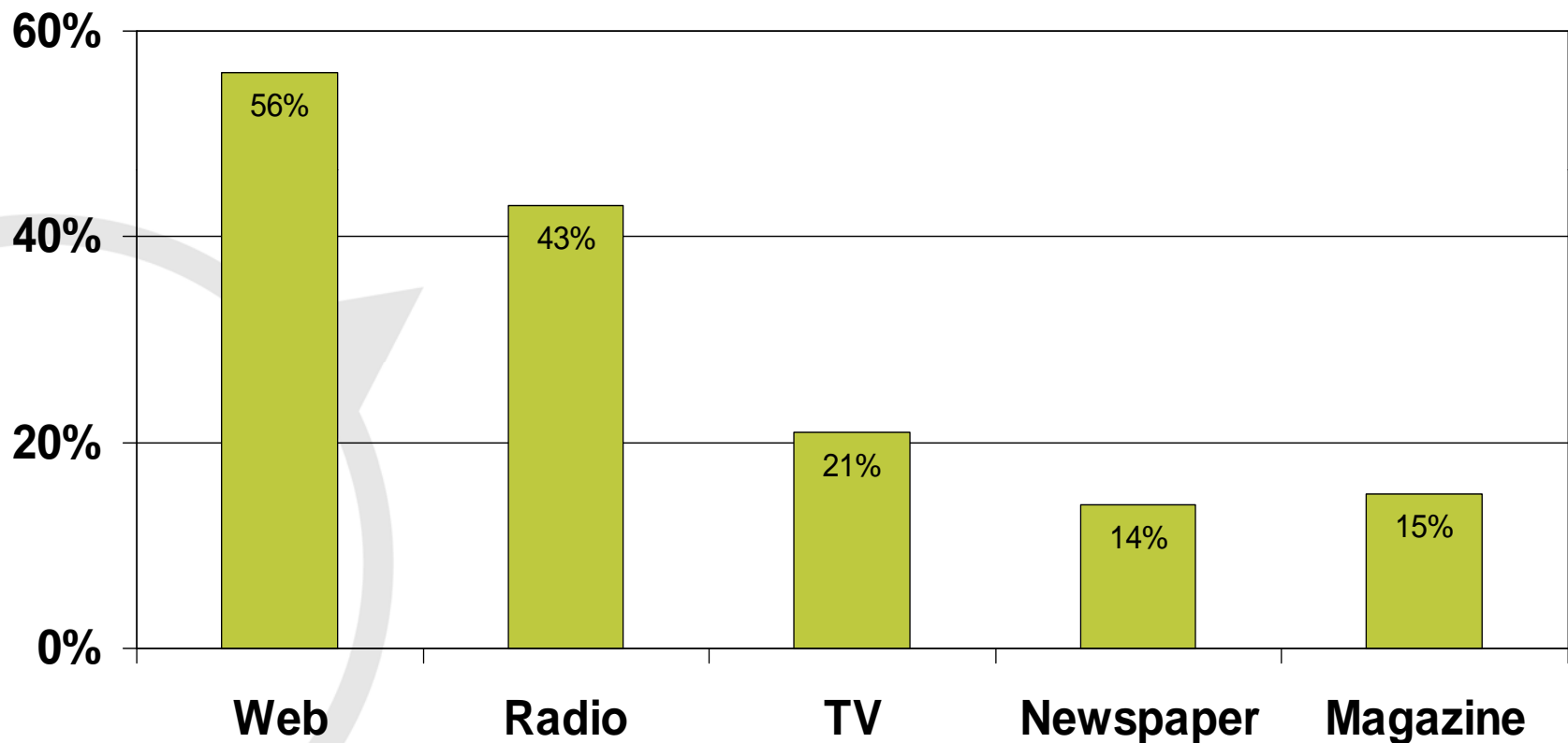
Reach at Home

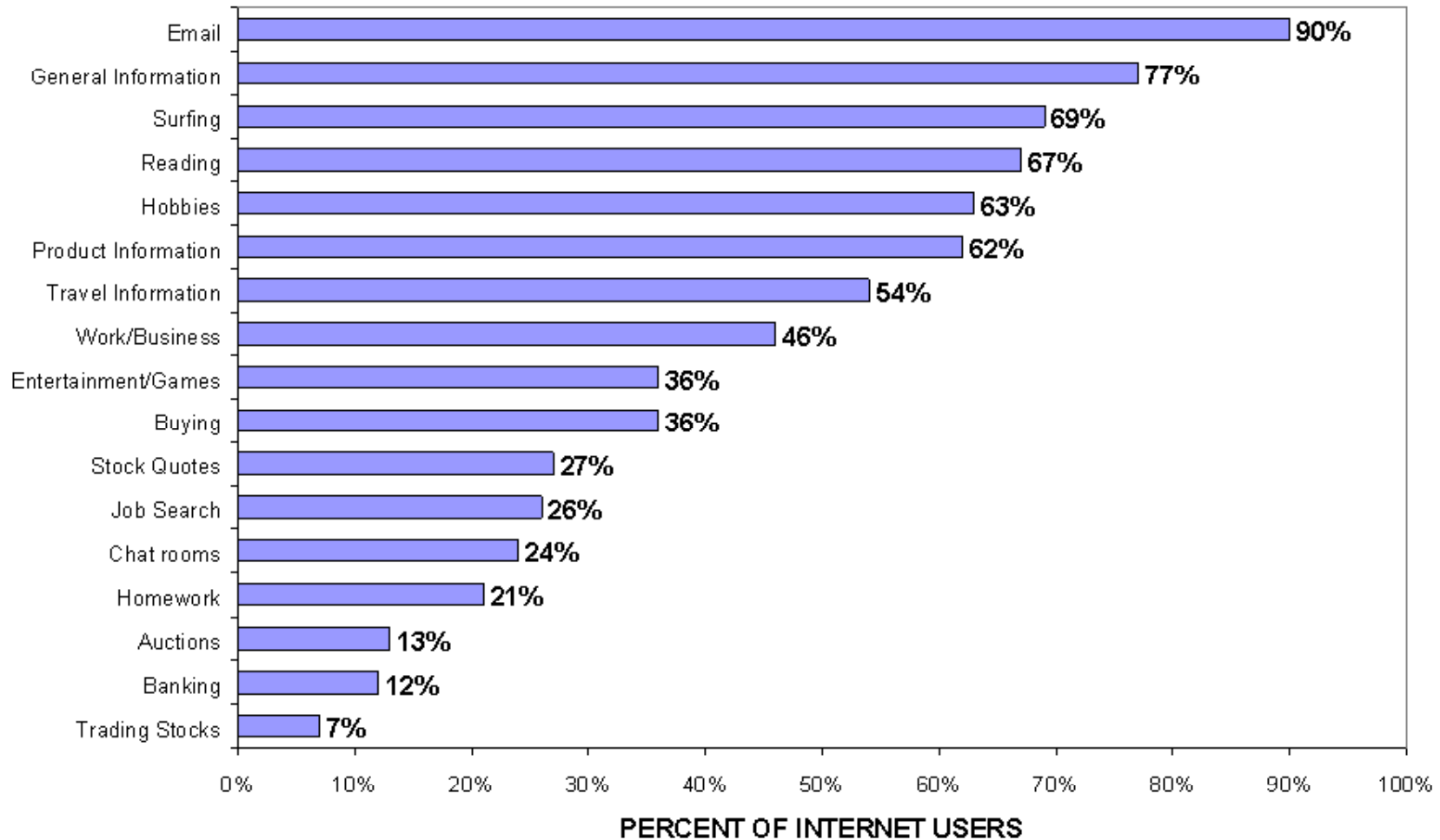


Internet is Number One Media at Work



Reach at Work





- Take print and move it to web.
- Standard internet ad sizes alter print model.
- Metrics limited to web server logs and early panel data, with little connection to results
 - Clicks
 - Audience size

Two Conceptual Models of Audiences

Congregation

- Same time/place
- Same Content
- Same platform

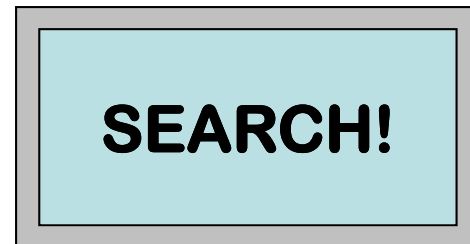
Aggregation

- Same target/person
- Different time/place
- Different Platforms

The period of eBay, Amazon, Google, Yahoo!, Expedia, etc.

- ✓ New Business Models
- ✓ New Consumer Behavior
- ✓ Personalization Begins
- ✓ Online shopping and buying (+28% 2006 vs. 2005)

and



- ✓ Email sites aggregate the largest audiences, creating big markets for display advertising
- ✓ Search becomes a valuable information tool and navigation aid.

“Online search is the primary tool most people rely on to do everyday research”

Ken Cassar, Nielsen/NetRatings

3.3 billion searches in 2004



6.2 billion searches in 2006

- Research shows context impacts ad, highly relevant context even greater impact.
 - ✓ Tiffany's in Vogue vs. People
 - ✓ Carnival Cruise on travel site
- Reputation of site, content value and category involvement impact purchase intention

- Word of Mouth
 - Encourage consumers to talk about brands with friends and family
 - Many methods and approaches
 - “Send to a friend” links
 - Brand ambassador programs
 - Community features
 - For brand building, word of mouth is about communicating insights or solutions that consumers want to pass along

- Creating Brand Demand
- Two Way: Outbound and Inbound
- Relevant onsumer Touchpoints
- Consumer Centric
- Marketing Directly

MASB Standards Project

On-Line Marketing

August 2008

Joe Plummer

(Dipita Chakraborty)



**Marketing Accountability Standards Board
of the Marketing Accountability Foundation**

Background & Issue

- The internet has been a revolutionary force in society.
- Marketing and Business executives are just beginning to explore its potential and limits.
- Online marketing is diverse, encompassing consumer to information, brand to consumer, consumer to consumer & brand to brand.
- As an emerging technology, numerous real time and delayed measurements are available for online media.
- There is no standardized approach adopted by the industry for measuring the impact of online marketing.
- Several metrics took center stage starting with hits, impressions, Pageviews, and click-through rates.
- None of these metrics are explicitly linked to any model of on-line marketing or cash flow drivers.

Practical Considerations & Possibilities

- There is need for a theory of how on-line marketing works...
- A standard framework for measuring the financial impact of online activity.
- In order to link on-line marketing metrics to the financial performance indicators, we will need data from third parties.
- A small number of case studies from co-operating manufacturers could provide the start, based on which we can form generalizations.
- Then the need for third party data will require co-operation from third party data and metrics providers.

Data Requirements

- Search and display advertising lead in the online advertising format race with 40% and 22% respectively of the \$21.4 billion total spending from 2007 (eMarketer, October 2007).
- E-mail and ebiz are significantly larger with estimates in the arena of \$200 billion in the US alone.
- Work should start on a standard framework for linking online efforts to cash flow in one of the two established formats.
- Co-operating companies should provide data from their tracking and spending in either search or display.

Recommendation, Key Issues, Objectives

- Proceed w/project, partnering with Adacube (developing online dashboard of key metrics and financial performance) along with Microsoft as quantitative contributors.
- Also gain support of Integration & Nielsen.
- Focus on Search/Banner advertising or Online Marketing???
- If search/banner then research by Randy Bucklin at UCLA would be a great start.

- Project Objective: Identify one or more established metric(s) that may quantify the relationship of online marketing to the financial performance of the brand???

Next Steps (On-Line) ??

Complete Frame-Up

**Move to Case Studies w/P&G, Kraft,
etc.**



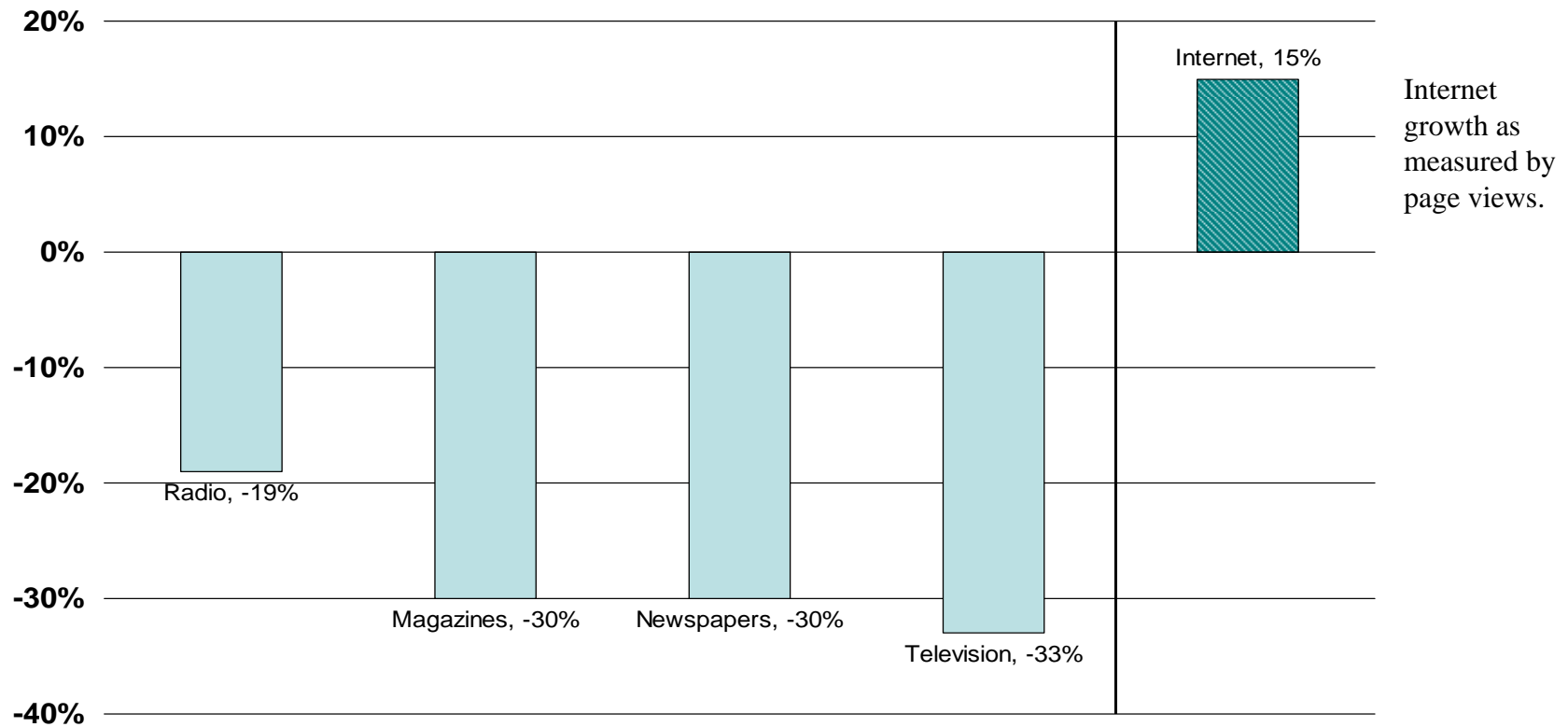
Thank-you!

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No Surprise—Online is changing time spent with traditional media

% Spending Less Time With Medium Due to Time Spent Online



Percent of Adults 18+ Using Two or More Media

- Online – 69.3%
- Radio – 69.0%
- TV – 68.1%
- Mail – 49.5%
- Newspaper – 40.9%
- Magazine – 40.2%

Choices Spread Consumer Interest

Network TV Shares Drop

1998 – 1999 Broadcast Season

Program	Household	
	Rating	Share
E.R.	17.8	29
Friends	15.7	26
Frasier	15.6	24
NFL Monday Night Football	13.9	22
Jesse	13.7	22
Veronica's Closet	13.7	21
60 Minutes	13.2	22
Touched By An Angel	13.1	20
CBS Sunday Movie	12.1	19
20/20 Wed	11.2	19
Average	14.0	22.4
% decline		

2006 – 2007 Broadcast Season (Through December 17th)

Program	Household	
	Rating	Share
Dancing with the Stars	13.5	20
Desperate Housewives	13.3	19
Grey's Anatomy	13.3	20
CSI	13.1	19
Dancing with the Stars Results	12.7	20
CSI Miami	11.3	18
Sunday Night Football	11.1	17
Criminal Minds	10.8	16
Lost	10.7	16
CSI: NY	10.6	18
Average	12.0	18.3
	-14%	-18%

Advertisers Follow the Audience Online

Advertising Spending by Media: Full Year 2006 vs. Full Year 2005¹

MEDIA	FULL YEAR 2006 (Millions)	FULL YEAR 2005 (Millions)	% CHANGE
TELEVISION MEDIA	\$65,373.3	\$62,103.1	5.3%
- NETWORK TV ²	\$22,879.2	\$22,313.1	2.5%
- SPOT TV ³	\$17,233.7	\$15,614.8	10.4%
- CABLE TV	\$16,746.0	\$16,196.6	3.4%
- SPANISH LANGUAGE TV	\$4,279.3	\$3,756.1	13.9%
- SYNDICATION - NATIONAL	\$4,235.1	\$4,222.5	0.3%
NEWSPAPER MEDIA	\$27,972.1	\$28,645.8	-2.4%
- NEWSPAPERS (LOCAL)	\$24,057.5	\$24,872.2	-3.3%
- NATIONAL NEWSPAPERS	\$3,539.2	\$3,427.5	3.3%
- SPANISH LANGUAGE NEWSP	\$375.4	\$346.1	8.5%
MAGAZINE MEDIA	\$29,833.4	\$28,738.5	3.8%
- CONSUMER MAGAZINES	\$23,190.5	\$22,169.1	4.6%
- B-TO-B MAGAZINES	\$4,144.9	\$4,260.2	-2.7%
- SUNDAY MAGAZINES	\$1,881.0	\$1,739.4	8.1%
- LOCAL MAGAZINES	\$461.6	\$428.2	7.8%
- SPANISH LANGUAGE MAG	\$155.4	\$141.7	9.7%
RADIO MEDIA	\$11,054.8	\$11,017.70	0.3%
- LOCAL RADIO ⁴	\$7,355.3	\$7,403.6	-0.7%
- NATIONAL SPOT RADIO	\$2,695.0	\$2,604.1	3.5%
- NETWORK RADIO	\$1,004.5	\$1,009.9	-0.5%
ALL OTHER MEDIA TYPES	\$15,415.7	\$13,303.4	15.9%
- INTERNET ⁵	\$9,756.1	\$8,318.0	17.3%
- OUTDOOR	\$3,831.2	\$3,528.8	8.6%
- FSIs ⁶	\$1,828.4	\$1,456.5	25.5%
TOTAL ⁷	\$149,649.3	\$143,808.4	4.1%

Source: TNS Media Intelligence

- 70% of Internet Users now use broadband for 24/7 Internet access
 - Estimated rise to 83% in 2003
- Broadband users:
 - Spend more time online
 - Typically spend more dollars online
 - Convert from shoppers to buyers at a higher rate
 - Visit retail websites with greater frequency

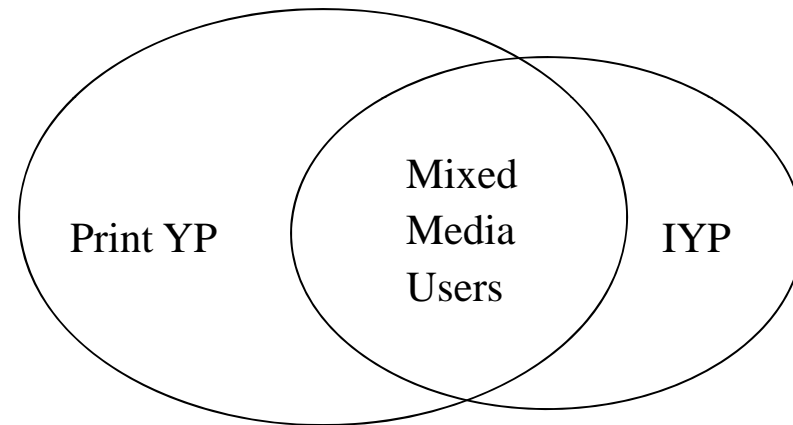


Not just more usage...
but different usage.

Consumers Find Listings Where Convenient

Largest volume of references still from print, but internet rapidly growing

- **16.4 billion references made to print & internet yellow pages annually**
 - **14.6 billion references¹** – print yellow pages
 - **1.8 billion references²** – IYP with a growth rate of 44%

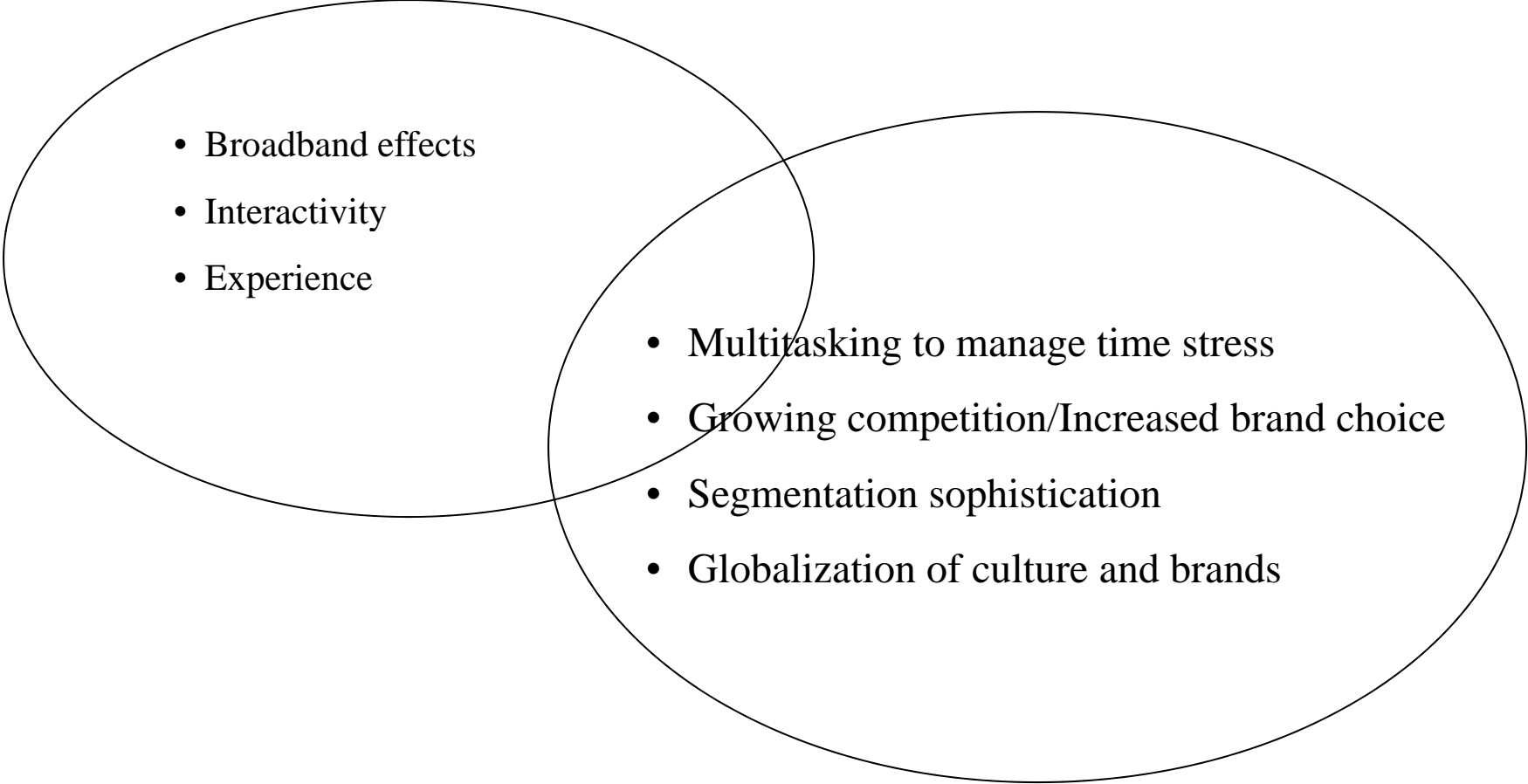


Internet Yellow Pages compliment print Yellow Pages, as 85% of Internet yellow pages users continue to use print yellow pages

¹ 2006 Yellow Pages Association Study conducted by Knowledge Networks Source.

² qSearch local report, IYP search share report, Nov. 2005

There's a reason it feels like a "Tipping Point"

- 
- Broadband effects
 - Interactivity
 - Experience

- Multitasking to manage time stress
- Growing competition/Increased brand choice
- Segmentation sophistication
- Globalization of culture and brands

The World Has Changed. How are Marketers Responding?

Shoehorn online strategy into offline business practices

Reach and Frequency was Focus

- Online Alone
- Online plus Offline
 - ✓ X-MOS Studies by IAB/Marketing Evolution
 - ✓ What Sticks?

Briggs and Stewart, 2006

- Use same “Mental Models” of last 75 years
 - ✓ Interrupt and Repeat
 - ✓ A → I → D → A
 - ✓ Tonnage

Targeting to the Forefront

“In our experience selecting the right audience is a much larger driver of campaign performance than message.”

Lee Sherman, Avenue A/Razorfish

Targeting Idea Borrowed from Direct Marketing

- Segmentation through technology, such as connection speed
- Demos lead the way (through site analysis)
- Geographic
- Customers
- Day part

- Used for:
 - Brand Awareness
 - Demand Generation (Budweiser)
 - Stimulating Product Trial (KFC)
 - Driving Purchase (Tristar “Hollow Man”)

- **Goal:** Drive trial of new product, Popcorn Chicken
- **Strategy:** Get 'em when they're hungry.
 - Rectangle ads offering coupons presented at lunch time to office workers on top web sites (11a-2p over 4 time zones)
- **Results Over 12 Hours:**
 - 120mm impressions
 - 345,000 clicks
 - 2.6% of sales



Google, Yahoo!, MSN and AOL – The world of paid search advertising

- 50% of online ad spend in 2006
- Projected to be \$12 billion in 2010

Search Engine Marketing / Optimization

- Proving its value for:
 - Traffic
 - Lead generation

National Instruments Paid Placement campaign.

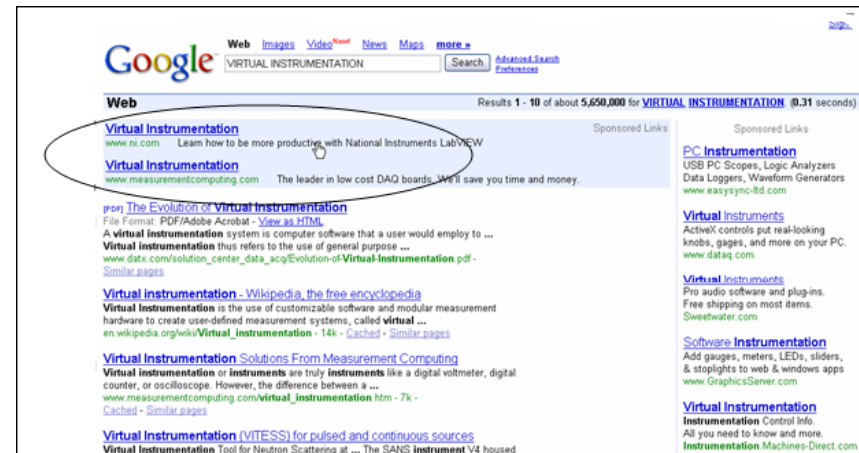
Site Visits: +108% Year-over-Year

Compass Guard Paid Placement and Search Engine Optimization campaign

Site traffic: “significantly higher”

Conversion rate: from 0.6% to 9.5%

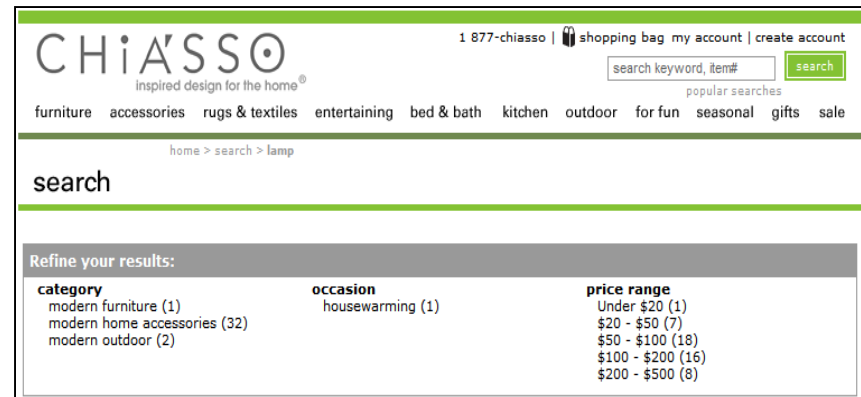
Leads: near zero to dozens per week.



- **Angler's Vice**
 - **Objective:** Build traffic and sales through SEM
 - **Strategy:** Revamp keyword lists to more accurately reflect consumer language and target advertising better. Expand keyword list from 50 to 450 fly-fishing and branded terms.
 - **Results:** No hard data but company reports increases in qualified site visits and sales, and decreases in cost-per-click fees.



- Focus on the “post-click” brand experience
 - Dale & Thomas increased web sales 13% optimizing the landing page
- Improve site search to enhance the experience
 - Chiasso changed search on site, stopping complaints and increasing sales 20%-30%.



- Leverage search to TV or other programs
 - Wish-Bone and Tide-to-Go were featured on The Apprentice
 - Brands optimized their websites and landing pages to maximize awareness building, stimulate trial and build a list of prospects
 - Tracking searches showed immediate spikes when program aired, and the brands benefiting for 2-3 weeks after.



- New Targeting Options to Achieve Results
- Richer, more integrated communications strategy, blurring distinctions between “branding,” “activation,” “shopping research,” and “purchase.”
- Interactivity is central
- Word of mouth seen as critical

- Total U.S. revenues for local search engines and Internet Yellow pages will grow 26.1 percent (CAGR) through 2011, due to:
 - Better ad targeting
 - More relevant ads
 - Increases in CPC
- For Yellow Pages publishers and other local sale forces, revenues are driven by selling to businesses with physical locations
- Local search engine advertisers are typically national brands or resellers that want to target local markets.

- Presents ads or offers based on consumer site visiting and/or actions on sites.
- Typical uses:
 - Branding (NTT Docomo)
 - Targeting Purchase Influencers (Amer. Air)
 - Convert Shoppers Researching a Purchase (Vonage)
 - Retarget Shoppers Who Abandoned a Purchase (Lane Bryant)

- Made possible by merging online tracking data with purchase data to identify “fingerprints.”
- Used for branding and stimulating sales
- CPG Brands use this targeting and analysis to:
 - Generate Awareness
 - Drive Purchase Intent
 - Gauge sales impact by tracking offline purchase

- What is it?
 - Reaching people who share a common set of beliefs, values, interests or lifestyles
 - No limit on type or variety
 - Key issue is efficient reach
- As Affinity Increases Consumers ...
 - Spend more time on the site
 - Are more favorable to the site and view it as relevant
 - Are more favorable towards advertising

Milano Moments (Pepperidge Farm)

- **Aim:** deepen relationships with core customers by increasing engagement, retain customers and increase sales
- **Strategy:** Weekly email, Experience sharing, Site involvements
- **Brand Results:**
 - Purchase Intent +29%



Tide Coldwater Challenge

- **Aim:** Educate consumers about benefits and drive trial
- **Strategy:** Incorporate word of mouth into an integrated campaign.
- **Results:**
 - Site visits +90% in one week
 - 1mm samples in 2 months



- Interactivity comes in many forms
 - Personal expression, like Flip
 - Transaction support
 - Information requests
 - Communications
- Interactivity generally leads to greater:
 - Time spent with the brand
 - Branding improvements
 - Traffic
- Needs to be grounded in penetrating consumer insight

- **Aim:** Generate interest in new brand
- **Strategy:** Enable consumers to get information, engage with brand and share with friends
 - Execution: “Personality Test”
- **Results:** In-market, results not yet publicly available.



- **Guest bathroom experience**
 - Research Insight: showers as key as bed
 - Created unique experience, including proprietary showerhead with Kohler
 - Online/offline media tailored to travelers habits
 - Engaging, fun, effective on-site creative
 - Extended the experience by selling showerheads online for home



Goal: 5 Minute Report on New Targeting Ideas

- Select a business challenge from your group.
- Define the best customer or prospect
 - Why Important
- Brainstorm what we know about the target
 - Who are they?
 - What are lifestyle patterns?
 - Most relevant contact/channels
 - Favorite leisure interest
- Decide how you can target even better than last year
 - Traditional media
 - Online