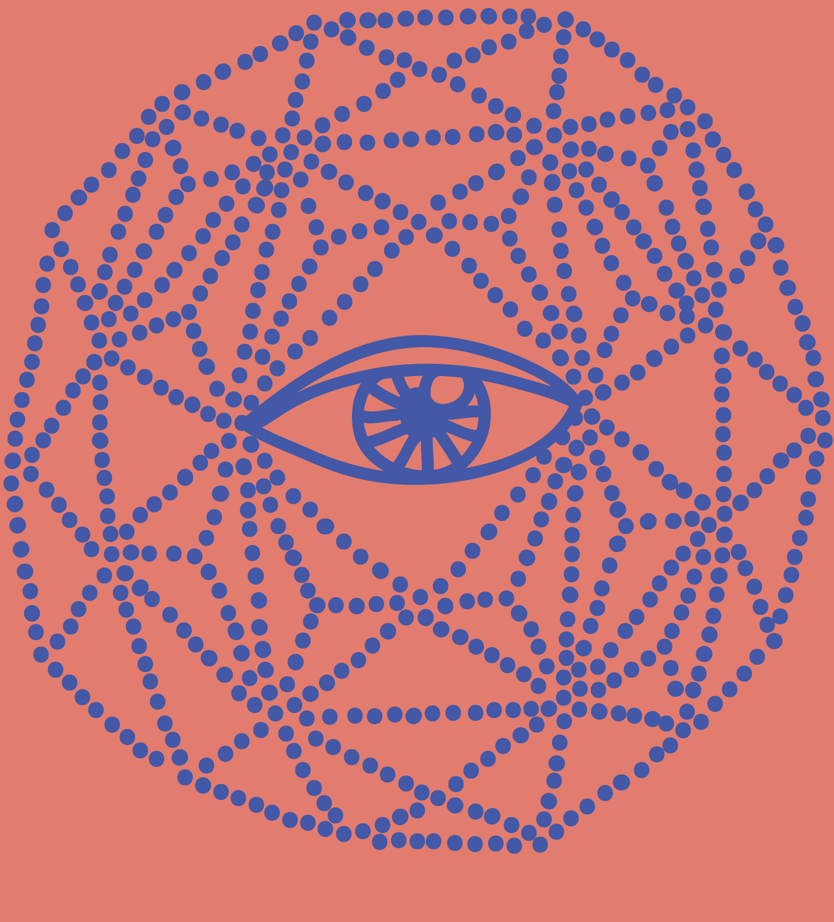
Embracing the ever-evolving marketing world

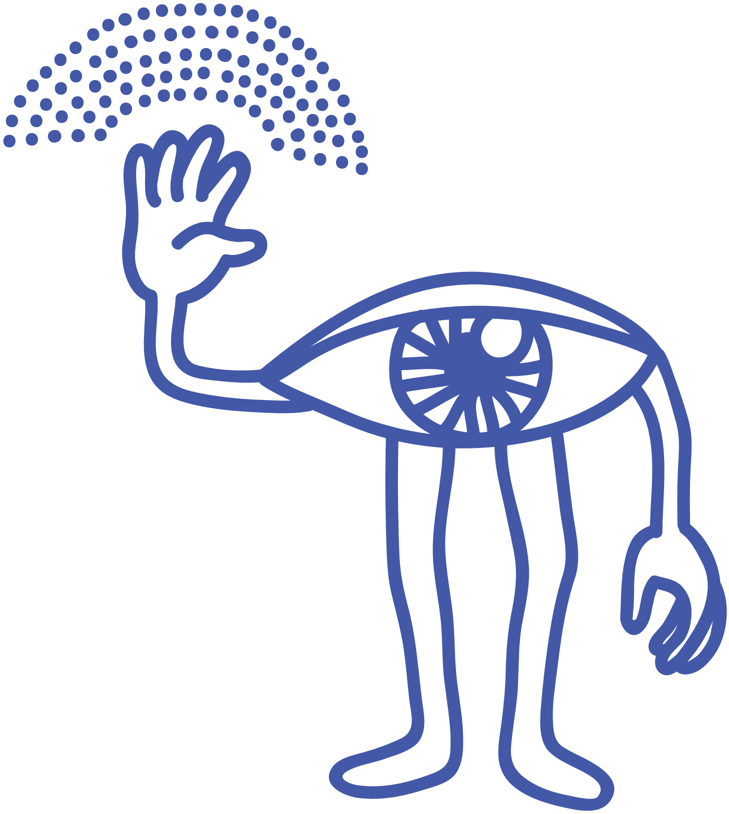


Andrew Baxter

About the author

Thought leader, marketer and philanthropist, Andrew Baxter is the CEO of Publicis Worldwide Australia, one of the country's largest communications agencies. He has worked with many of Australia's most iconic brands over two decades at Publicis, Ogilvy and Y&R, in Sydney, Melbourne and Brisbane. He has also held a number of significant Board roles at The Song Room, Melbourne Aces, Lord Mayor's Charitable Foundation and the Communications Council. When he's not running a multi-million dollar business or helping the not-for-profit sector, he writes about the future of marketing and communications, in a world where both consumers and technology are ever-evolving. His articles have been published in The Australian, Marketing magazine, The Deal magazine and SmartCompany. He holds a Bachelor of Business (Marketing) from Monash University and is a Graduate of the Australian Institute of Company Directors. He can be found on Twitter at @AndrewBaxter3.

Embracing the ever-evolving marketing world



Thanks

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Contents

In an 18 month period when I was lucky enough to travel from the top of Australia to the bottom, as well as to Mumbai, Shanghai, Paris, London, New York, Cannes and San Francisco, I met with over 50 CEOs and close to 125 Marketing Directors. During these meetings, there was a consistency in the topics discussed; a commonality in the areas of the ever-changing marketing and communications world that they sought advice. The same recurring questions.

Is social media really working? What's the best way to split my budget amongst paid, owned and earned media? How do we take advantage of the consumer shift to mobile devices? Will Smart TVs take off? Where do we start with big data? What's the balance between targeting people with ads online versus them feeling like we're stalking them? How do we influence consumers when their path to purchase is so much more complex? Can we use social media to help with customer service?

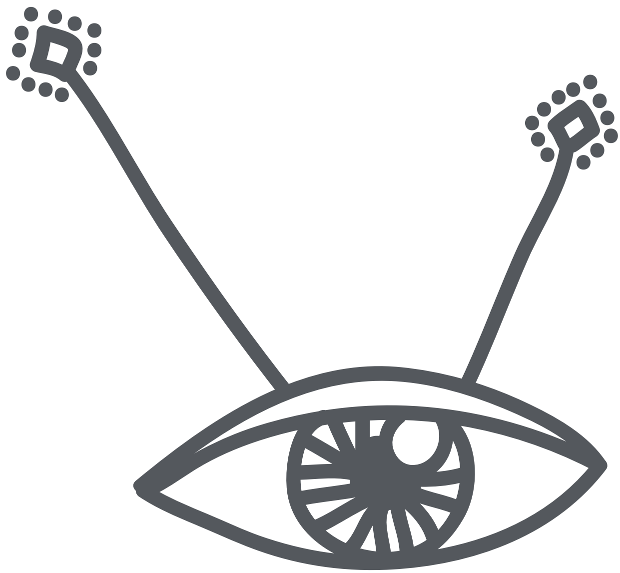
How do we make the most of multi-screens and the growing number of content producers? What's the right technology play in stores? Why do brands want to become more like people and people want to become more like brands? Is a single view of a customer possible with the multiple databases we have?

And then there were the topical, and the age-old questions. Will someone do a break-out election advertising campaign? What are the perks and perils of loyalty programs? Can creativity really drive our bottom line? Can some of the brands that have taken a beating in the past 18 months make a comeback? Why hasn't sports marketing evolved? How much effort should we put into push as opposed to pull strategies? And what does make the most effective advertising?

The broader business community clearly had an appetite to discuss these issues. So in a joint effort with The Australian's leading business publication, The Deal magazine, I set out to answer these questions. Not in marketing gobbledygook, but in simple terms. With local and international examples of those brands and companies that were doing it well. With clear advice and a perspective on the steps marketers needed to take to get there themselves.

What follows are these 20 hot marketing and communications topics, covered one chapter at a time. And the final chapter provides a glimpse into the future, as well as a perspective on what it takes to be a great company and brand in today's ever-evolving marketing world.

Smart TVs
Up closer and more personal



Steve Jobs once famously stated that your TV and PC would never merge. He felt you leant back and switched your brain off when watching TV, whereas you leant forward and switched your brain on with a PC. But he kept dabbling in this inevitable coming together as a 'hobby', and Apple TV became one of the ways that you could access the web via your TV.

And now, very quietly but very quickly, over 50 per cent of Australian homes have filled up with TVs that can be connected to the internet. This isn't just good news for technology companies, but those of us in the advertising industry can see big things coming too. We're all looking forward to the day when we can catch you at home watching television shows peppered by very specific commercials that have been chosen because they are relevant to your lifestyle.

How soon that day may come has a lot to do with how quickly Australians adapt to this new television order. While half our homes may have internet-enabled TVs, only half of those have them hooked up.

There are many reasons why we're yet to take to this new lounge room technology with more zest. First and foremost, it's because there is no simple and common platform to bring together all of the TV and video content that's out there. This is despite the fact that hotels rooms have had this technology for a few years, allowing you to see your bill, and more importantly movies, on demand.

The fact is that TV manufacturers, TV stations, telcos, broadband suppliers, Apple, Google, Microsoft, Yahoo and Intel are all trying to crack the internet-connected TV experience, but each is doing it on their own as they try to replicate Apple's success with music via iTunes.

Smart TVs
Up closer and more personal

Rest assured, someone, or maybe a consortium of the above, will win this battle soon enough. In the not-too-distant future, I see a world where there is a common and simple platform to bring together all of your favourite TV, movies and video content on your TV screen, at speed and in HD, and that you can navigate around easily via your iPad or smartphone rather than a multitude of remotes or keypads.

The business implications of more widespread uptake of internet TV are enormous. Content will still be king, and customers will still gravitate to what they consider are the best shows, movies, sporting events, news reports and information. And whilst it will still cost the same to produce that content, the delivery of that content to your TV via the internet is significantly cheaper than traditional infrastructure such as satellites and towers. Plus the content provider can still charge accordingly, via subscription, or make money by allowing advertisers to access that audience.

What's more, the opportunities for brands and advertisers are potentially endless. You'll remember back in the hotel room when you first turn the TV screen on there are normally some ads about the hotel? An advertorial here and there on what you should do as a tourist while you're there? That's advertising specifically targeted just to those hotel customers. And that's the big opportunity for brands in this new world where TVs are connected to the web. They will be able to pinpoint the most valuable group of customers and send truly relevant and personalised communication to them, in real time.

This is already happening on websites. Cookies record your every movement on the web, and this data provides brands an ability to serve up ads based on your previous online behaviour. Much of this is now conducted through automated digital ad exchange technology.

Apply this to smart TVs, and you will have real time serving of relevant and personalised 30-second TV commercials. And if we know that person flicks channels before the end of the ads, we can serve them a 15-second ad instead. Or a 5-second banner ad, a familiar format on the web, but a new format on TV.

So the world of one simple TV remote control on your mobile or tablet, one easy-to-use platform to watch any show you want, and one big TV screen in your lounge room where you only get to see ads that are relevant to you, is not that far away.

Yes it will be great for viewers. But even better for brands and advertisers. Once it takes off, it will alter the way advertising is delivered and viewed on television forever. For those brands who embrace this new technology early, it will be a game-changer.

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http://www.theaustralian.com.au/news/features/up-closer-and-more-personal/storye6frgabx-1226577314373#

Smartphones
Upwardly mobile

Today's smartphone can do your emails, Google searches, music playlists, Facebook and banking as quickly and easily as your computer. But it can also be a GPS device, loyalty card, credit card, camera and remote control for your TV.

They don't call it the 'Swiss Army knife' of technology for nothing. And Australians have taken to it in droves, with over 50 per cent having one, one of the highest rates in the world.

When you consider that the processing power of a 2012 smartphone is the equivalent of a notebook computer in 2009, and that these phones have built-in technology like cameras, GPS, bluetooth, gyroscopes and near field communication, it's no wonder that marketers and advertisers are rushing to take advantage. Even more so when recent research reported by Forbes showed that click-through rates on smartphones were 72 per cent higher than click-through rates of consumers on desktop computers.

There are now signs that consumers prefer to be connected to the internet via their smartphones more so than their computer. In a recent campaign for a major brand in Australia, 80 per cent of consumers sought out more information via their smartphones, and only 20 per cent via their computers. And already over six million Australians have done some form of banking on their mobile device. The business numbers back this up, with Apple making more revenue just from its iPhone than Microsoft did for all of its products, in a recent three-month sales period.

Starbucks was one of the earliest brands to embrace mobile at the start of 2011. Since then they have processed over 70 million payments instore via smartphones. Many of these phones also stored a digital equivalent of a Starbucks loyalty card, so they were able to capture the data around purchases and develop personalised offers to those customers. Australians carry an average of 16 loyalty and/or credit cards in their wallets, and many brands including MYER are already encouraging their customers to ditch the plastic card and have a digital version of it on their phones.

Google has taken this one step further in their recent launch of Google Now for smartphones. Google accesses information from your phone, like your location, your diary and recent Google searches, to serve up intuitive information before you even think you need it. Today it told me that I had to leave for a meeting 28 minutes beforehand to get there on time, gave me the best route to drive there, and told me that the weather would be sunny and where the two best coffee shops near the meeting location were. It doesn't take much imagination to realise that soon it will be sending me offers to entice me to one of those coffee shops, or the office supplies store 100 metres down the road.

In the retail environment, mobile marketing is becoming just as personalised. Stores in the US are trialling bluetooth and Wi-Fi technology that accurately tracks your location and movements through that store via your mobile phone. It then serves you up real time and relevant offers or ads as you walk through the store. Marketers can also use the tracking information to improve the store design and optimise their product displays. Others are trialling near field communications, where customers can tap their mobile phone against a product with a similar chip attached to it, and it automatically opens a mobile website or app with more information about that product.

Interestingly, smartphones aren't just for people on the move. Usage is now highest in the home. Half of the Australian population use their mobile device while watching TV, to interact via social media or to search for more information. No longer do people have to wait until the end of a MasterChef episode to download the recipe they liked on their computer. Nowadays it appears instantaneously in social media as part of the conversation, and consumers can choose to download a list of ingredients to their phone, or buy them via the Coles mobile app. Already close to 30 per cent of Australians have made a purchase using their mobile phone, and the majority of them have done so more than once.

St.George Bank recently launched an Australian first, providing an ability to apply for a credit card via its mobile app. More and more Australian consumers are doing things like this via their smartphone rather than their computer. Marketers need to start thinking about mobile first too. The days of building a website and then thinking about how that might look on an iPad or smartphone are in the past – it's already swung the other way. The more forward-thinking brands are already working out how best to engage customers through smartphone technology first, desktop second. It's becoming a key element of marketing strategy, and it won't be long before it may be the key driver in other campaign elements. Brands that are not yet taking this technology and its widespread appeal among consumers seriously enough need to shift their mindsets quickly. Mobile first – no longer last – is a phrase that marketers will be far more familiar with in the future.

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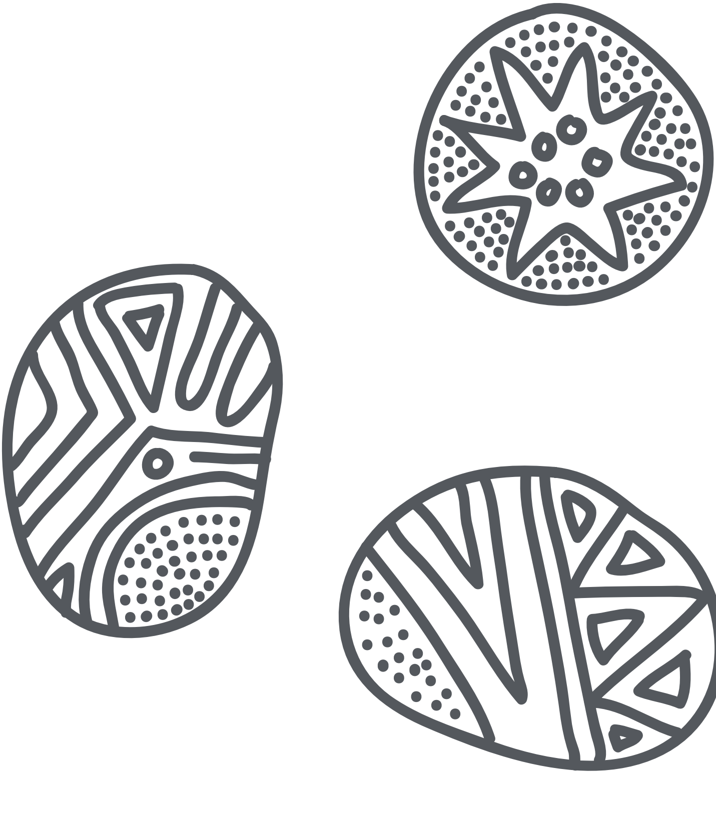
http://www.theaustralian.com.au/news/features/ upwardly-mobile/story-e6frgabx-1226595686841#mmpremium

Performance Media
Anybody want more cookies?



We were all wowed in 2008 when iTunes unveiled its Genius feature. Apart from creating playlists from your existing library, it also told you about music to buy based on what you had bought previously, what people with similar playlists to yours had added to their basket, and what you might have looked at on your last visit to the iTunes store.

Even today when you jump on to iTunes, you can see the right side of your computer screen strain into action as it analyses enormous amounts of data to provide you with what it believes are the most relevant offers. And it's scary how many times it gets you to buy another track or album.

In 2013, you're likely to have had the same feeling with the ads that pop up on your screen as you jump between websites. What a coincidence that you were thinking about getting a corporate credit card for your business and there's an ad for it. Same with that new pair of shoes you were considering.

Well, it's no coincidence. Advertisers can track your behaviour online, including your location, and serve up ads tailored for you in real time. It's called performance media, and there are plenty of technical terms involved in how it works, but the simplest and most commonly used is 'cookies'. Cookies enable brands to track consumers firsthand through their own websites and apps, and also through third-party sites via Google.

A powerful tool in the marketing armoury, performance -media technology makes sure brands are showing the right message to the right person at the right time. As it is mainly an automated process, costs can be minimised and return on investment maximised.

Performance Media
Anybody want more cookies?

Some consumers find this extremely helpful and intuitive, just like the Genius feature in iTunes. But when brands get it wrong, consumers can feel as if their privacy has been invaded. A recent 'targeted' ad on Facebook by a dating site had many of my female colleagues flustered as they didn't actually want to meet a mature man.

In Britain last year, the government mandated an opt-in system on all websites, so consumers could click yes or no to allowing that brand to capture cookies data. It's quite an ethical dilemma, as some people are more than willing to give up as much data as possible to receive the most relevant offers, yet others don't want any personal data captured.

In a recent survey by Ernst & Young in Australia, 72 per cent of consumers said they would share more personal information to receive better service, and one assumes offers, from their bank. On the other hand, 65 per cent of people in the US have taken steps to protect their online privacy by deleting cookies, and 39 per cent have requested that websites not track them.

As brand custodians, marketers must take note of this. Given consumers see brands as people – and why not, as they can interact with them on Twitter and Facebook – any data captured must be used like a helpful, intuitive and ethical neighbour, and not that creepy guy spying over the back fence.

Hotels have been doing this in a more neighbourly fashion, but manually, for years. The team at the front desk or the concierge have quietly written down your favourite dish, how you like your coffee, whether you like bananas or apples or beer or wine, which newspaper you prefer, and whether you go for a run in the morning or the evening. It's always been about anticipating your needs, and surprising and delighting you every so often. "We have a great new craft beer at the bar. The first one's on us. Thanks for coming back."

But nowadays that same hotel might follow you on Twitter. Be surprised (or don't be) if you tweet that you've just arrived in town for your anniversary weekend with your partner, and then find a bottle of champagne in your room alongside a discount offer on dinner for two in the hotel's best restaurant. Technically, it's no different to marketers following online behaviour and serving you ads with a relevant offer. But again, brands need to be the nice neighbour, not the stalker.

Governments, content platforms and brands are scrambling to strike this balance. Marketers need to be aware of the Privacy Act in Australia and its implications for performance media. Google has built part of its success on allowing cookies and automating this data and analytics for the benefit of consumers and marketers, whereas the Firefox browser is proposing to block cookies by default. Many countries have followed Britain's lead and asked consumers to say yes or no to cookies on each website they visit. It's a fast-moving area, and one marketers need to be on top of, for both return on investment and ethical reasons.

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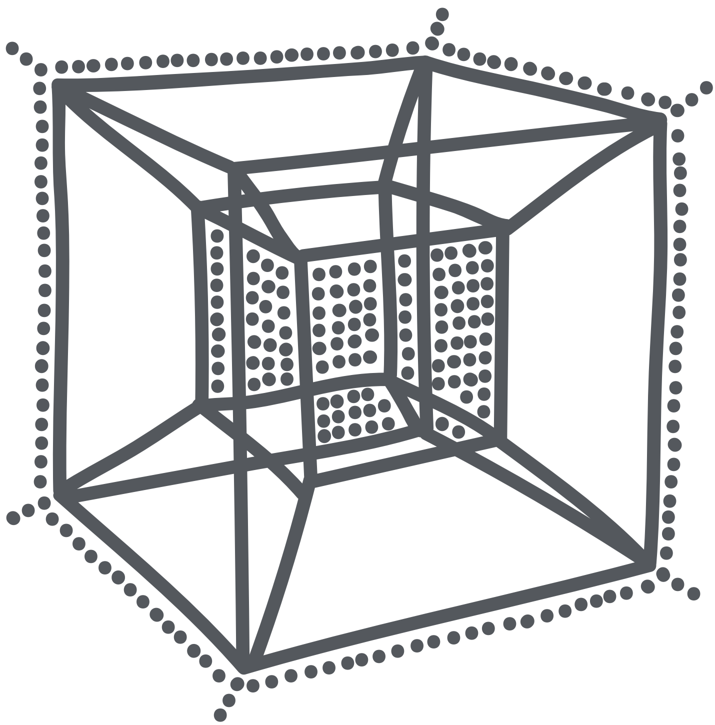
http://www.theaustralian.com.au/business/the-deal-magazine/anybody-want-more-cookies/story-e6frgabx-1226622446537?sv=3b59fe0656d6aa5b09a1df1f6ddfec77

Retail Technology Plenty more instore



The main technology focus in the past two years for retail marketers has been online, with optimising a website or mobile app for increased sales being the primary goal. But what are marketers doing about digital technology in their stores?

Nineteen of the top 20 retailers in the US still record far more sales in their physical stores than online, Amazon being the exception. In Australia, even the best ‘bricks and clicks’ retailers make 85 per cent of their sales instore.

One overseas retailer to embrace the future is Japan’s Vanquish Ikebukuro PARCO store. At first glance, the screens above its clothes racks seem fairly standard, with traditional fashion photographs displayed. But when you take an item off the rack, a video starts up on one of the screens, in which someone models that exact piece of clothing.

Not only have the marketers gained much more of your attention, but the technology can also highlight accessories for that outfit, creating additional sales opportunities.

Virtual mirrors and fitting rooms were first prototyped about three years ago and are now finding their way into fashion stores overseas. Some scan your body measurements with the accuracy of a tailor and recommend brands to suit your body shape. Others change the colour of the shirt you have just tried on, without you leaving the fitting room. And some will capture you turning from side to side, and replay the video so you can see the fit from all angles.

Plenty more instore

All of this adds value to a customer's instore experience. It sounds so simple and logical, but in Australia the major fashion and homegoods retailers have been slow to embrace this technology. It's been 10 years since Telstra stores replaced their paper-based point-of-sale posters with digital screens capable of changing the message based on the time of day and the target audience in the store at that moment.

Since then, however, many other retailers have found it easier to find reasons to not take bold steps and lead customers into the future.

But when the Bank of Melbourne launched two years ago, its branches were set up for the customers of today, not yesteryear. Interactive digital screens enabled customers to collate brochure information specific to their needs and email it to themselves to read when they arrived home. No more walking out of the bank with six different brochures and never quite knowing where the relevant bits are.

The bank also embraced the iPad, with all relevant sales tools loaded on to it, so bank managers can better service customers anywhere in the branch. Similarly, floor staff at US retailers Nieman Marcus and Burberry carry iPads that connect to the store's IT system and allow them to provide a more personalised service and help with decision-making.

Some large-scale enthusiasts about digital and interactive screens in Australia in recent years have been fast-food chains. KFC and McDonald's have followed Telstra's lead with digital screens that change the product offer being highlighted based on the time of day – breakfast meals in the morning, snacks in the afternoon and family meals in the evening. They are also showing video footage of the food from TV ads, which is more appealing than still photographs. The other no-brainer in interactive retail technology is to provide a kiosk where customers can access the store's website. Why? Because some shoppers don't want to lug a purchase around for the rest of their shopping day and are more than happy to have it shipped home. Others can't find the size or colour they want and don't have time to go to another store or wait for an assistant to ring around.

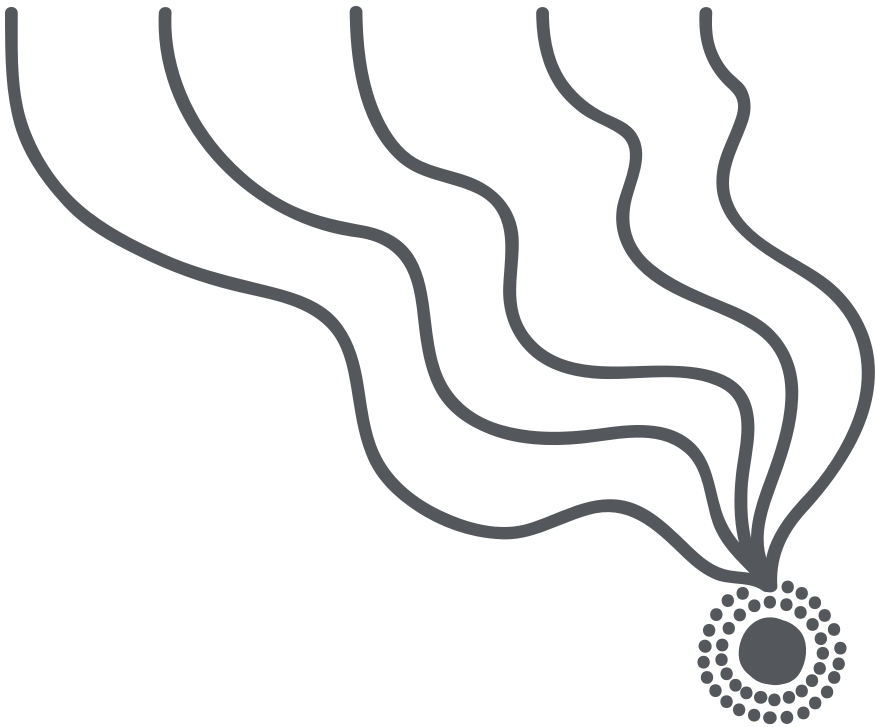
The best retailers have always provided an incredible instore experience for customers and in 2013 that means utilising digital technology. Digital and interactive screens, iPads as sales helpers and interactive kiosks are just some of the digital tools available.

Retail chief executives and boards should also be asking their marketing teams how mobile technology (geolocation, near field communication, bluetooth, augmented reality, banking), self-checkouts and 3D printing could enhance the instore experience and, in turn, the bottom line.

Those who ignore instore digital technology in the rush for an online advantage are missing a powerful opportunity.

Originally published in The Deal magazine in The Australian, 17 May 2013.
http://www.theaustralian.com.au/news/features/plenty-more-in-store/story-e6frgabx-1226643167290

Famous Campaigns
Why an ad should be hot like a sunrise



It's well known that there has been more change in the marketing landscape in the digitally dominated past five years than in the previous 50.

And while marketers need to embrace that rapidly changing world, they also need to remember the fundamentals learnt over half a century about what gives an advertising campaign the best chance of delivering sales.

After all, advertising was invented to sell products and services. So what is the key common element in the most effective campaigns, in Australia and overseas? Is it awareness, cut-through or share of voice?

Are they emotional, rational or emotional and rational? In fact, the factor that links these campaigns is that they are famous.

This might seem obvious, yet few marketers, or ad agencies, include fame as an objective in their briefs, or buzz metrics in their campaign's key performance indicators. Fame is seen by too many marketers as an added extra, rather than the focus of a brief.

Research has proved that famous campaigns, ones that create buzz and 'talkability', generate the most effective results. Think Cadbury's Phil Collins-loving gorilla or AAMI's 'Rhonda and Ketut'. These campaigns have become part of popular culture. They are shared through email and social media, and turned into spoofs and memes. They get talked about, literally, and by many people.

The Institute of Practitioners in Advertising (IPA) in Britain studied almost 900 campaigns drawn from two decades. 'Fame' campaigns had a 72 per cent chance of being effective. Pretty good odds.

And they were better at driving sales, profits, loyalty, margin and penetration.

Famous Campaigns
Why an ad should be hot like a sunrise

Real examples on our doorstep are similarly hard to ignore. Thanks to AAMI's 'Rhonda and Ketut', a campaign created by Ogilvy Melbourne, kids in the schoolyard and adults at work made "hot like a sunrise" part of the vernacular. Facebook pages popped up with more than 100,000 likes and Rhonda and Ketut t-shirts in Bali outsold Bintang singlets. Their romance was discussed on the major TV and radio breakfast shows, and Ketut's appearance at the Melbourne Cup made all of the newspaper and magazine social pages.

The TV ad that made its debut during half-time at the AFL grand final trended on Twitter. That's buzz and talkability, that's fame. The result: a 24 per cent increase in quote inquiries for AAMI.

Examples from years gone by include the 'breaking up' campaign for NAB, 'Name on a can' for Coca-Cola, 'Not happy, Jan' for Yellow Pages and 'I still call Australia home' for Qantas. Marketers and advertisers can argue about whether the airline should still be running that campaign, but they ought to agree that it needs another famous campaign to help sales and profits.

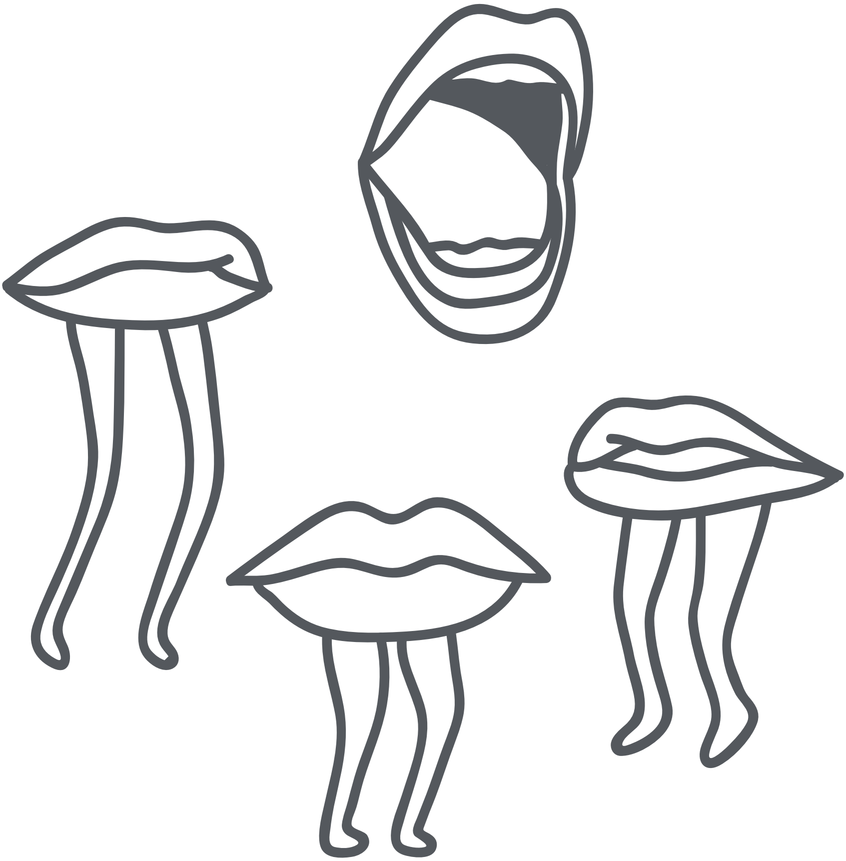
Interestingly, the IPA research gives marketers some hints about the make-up of famous campaigns. Only 18 per cent of the campaigns with buzz and talkability were created around rational, information-based messages. Conversely, 56 per cent used a purely emotional strategy. This goes against the common default position of many whose urge is to provide information. If we go back to the Cadbury gorilla, the temptation might have been to talk about the chocolate, its taste and quality. Instead, Cadbury went with an emotional campaign and the results were outstanding in many parts of the world.

This is also a choice for state and federal government departments – to create highly emotive campaigns, such as the graphic roadsafety ads of Victoria's Transport Accident Commission, or checklists of information, such as the original National Broadband Network campaign? History and the IPA research suggest the former option.

So the odds are stacked in favour of famous campaigns when it comes to the most effective outcome for your marketing dollar. Yet few brands take advantage of this. And given that in today's digital social media environment, fame is more important then ever before, marketers ignore this special ingredient at their peril.

Originally published in The Deal magazine in The Australian, 21 June 2013.
http://www.theaustralian.com.au/news/features/why-an-ad-should-be-hot-like-a-sunrise/storye6frgabx-1226666276077

Social ROI
Why it pays to join the social club



Marketers have clamoured to jump on the social media express in the past five years. But now some are questioning the sales and profit results related to social media.

Has the investment been worth the reallocation of their marketing budget from other vehicles?

Like the word ‘digital’, ‘social media’ has become a catch-all phrase for many communication tactics in the ‘social space’. There’s social advertising, social customer relationship management and social listening, and you can drive loyalty through social, encourage customer engagement through social, service customers through social, do research through social, run promotions through social and drive word of mouth through social. But which of these, if any, can deliver a return on investment for your brand? And should marketers be looking for a short-term or long-term return?

There are certainly a limited number of examples of social media leading to an immediate sales result. Retailers in Australia, for example, have relied on television, press and mail catalogues to reach more than a million customers at a time and quickly create awareness of a new product and where and when it is available. So if you take that model in its simplest form, a retailer would need close to a million followers and ‘likes’ on social media to replicate that kind of reach.

However, as of February this year, only 12 consumer brands in Australia had more than 500,000 likes and/or followers on Facebook and Twitter. Very few brands have developed their own mass-market social advertising channels as yet.

Social ROI
Why it pays to join the social club

One Australian brand that has done so is KFC, which has 700,000 Facebook likes. In the middle of 2012, it revived a product called The Double for just two days and communicated this to Facebook fans only. The next day queues that extended out the door were reported at some stores, as fans and friends lined up to buy the breadless burger.

Other local brands are using social media to boost loyalty and customer engagement, and they are finding this delivers a strong long-term return on investment. Bank of Melbourne customers who have engaged and interacted with the brand on social media do 40 per cent more business with the bank than those that have not.

Officeworks customers who are engaged with the brand through social media convert to sale at a rate more than 60 per cent higher than those that don't. They might not all buy immediately after seeing an ad on Facebook, but they are brand advocates and longterm spenders, both online and in stores.

Return on investment should not be measured only through top-line growth. Driving cost efficiencies through social media is a perfect way to obtain a better bottom-line return. One great example is where brands have 'socialised' their call centres.

Companies trust their call-centre teams to answer questions and complaints via the phone, so why not trust them to do the same via social media? And once a question is answered on social media, the exchange exists for others to search. So instead of 100 customers ringing with the same question and the call centre having to answer it 100 times, it can be answered just the once. In some cases, this has allowed call centres to cut staff by a third and save millions of dollars.

Socialising call centres can also drive top-line growth through better service, engagement and advocacy. Because the call-centre teams can listen to conversations and complaints in real time via social media, they can also immediately respond to that customer. Qantas was one of the first Australian companies to do this. For example, when a disgruntled Qantas customer tweets that their plane has been delayed, the call centre quickly sends a reply to that tweet. The team empathises with the customer's frustration and asks them to send their mobile number via Twitter, so Qantas can try to help.

In doing so, the airline turns a negative encounter with the brand into a positive one. And as mentioned earlier, brands that engage well with customers via social media are rewarded with long-term increases in spending.

Winning that trust maximises lifetime customer value. So while 'social' has been a buzzword in business for the past few years, there are signs it can deliver a return on investment in the short and long terms.

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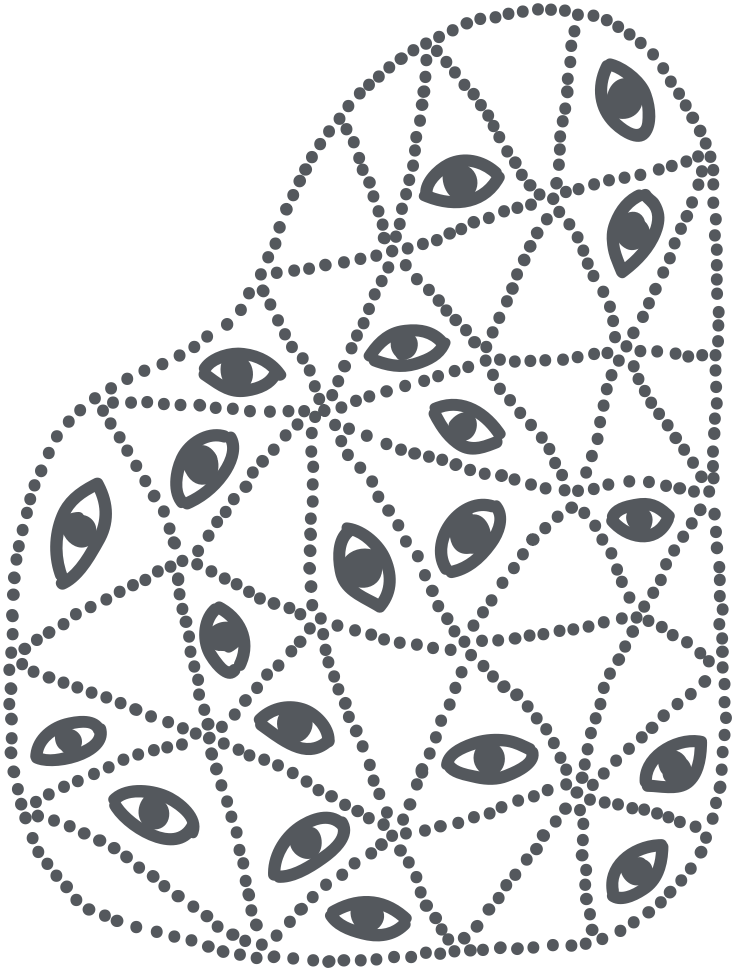
http://www.theaustralian.com.au/news/features/why-it-pays-to-join-the-social-club/storye6frgabx-1226680134617

Big Data
Big data really is better



The marketing catchphrase of the past 12 months has been ‘big data’. Two simple words that are both daunting and exciting. Daunting in that there are 2.5 quintillion bytes of data created globally every day. Exciting in that it can be a game-changer for businesses, with productivity and profit gains of between five per cent and six per cent better than competitors, according to recent research.

The term ‘big data’ was originally coined in Silicon Valley nearly 20 years ago as film houses raced into the world of computer-generated imagery and special effects, and needed major leaps in data storage to do so.

At the same time, direct marketers became more sophisticated, and embraced business intelligence and analytics, albeit in a very manual and time-consuming way. In more recent times, the rise of all things digital has driven exponential growth in available data, both within companies and externally.

And when you add today’s ability to automate predictive modelling, it is no wonder business intelligence and analytics folk have adopted Silicon Valley’s far sexier term.

Still, the fundamentals of data analytics have not changed. Collect data on your customers, pay attention to what that data is saying, and with that knowledge or insight, deliver a relevant solution. But marketers face an increasingly complex data environment in the quest to drive business growth. And consumers have a far higher expectation of companies getting those solutions right, and of receiving them immediately. But is it as daunting as businesses are making out?

Big Data

Big data really is better

While there has been incredible growth in available data, there have been even bigger leaps in computing storage and power. Data analytics programs that took hours to run five years ago take minutes today. And although there are many more sources of information beyond a company's own databases, such as social media, smartphones and the web, most have been created in the digital age where there is a far more standardised data structure. So bringing that data together to assemble a single view of the customer, the holy grail for marketers, is much easier than a few years ago.

The wealth of external data we are gathering about ourselves is a major factor in the big data equation.

This individualised data is generated and captured by a range of connected devices. For example, using GPS tracking data, my phone told me that I'd walked 29 kilometres last month and, at a more granular level, it also captured that I had been to four different shopping centres.

As marketers start exploring how this location and behavioural data can be put to use in highly relevant and personalised communications, the opportunities rack up quickly.

Walmart and Target are two huge US retailers that have embraced big data. They both have a strong vision for using that data. They have built strong databases that provide a solid stream of consumer behaviour insights, enabling them to tailor offers. They've more recently added the ability to overlay external data, such as customers' mobile phone locations and the weather conditions. The result is even more relevant and timely communications. The end game will be relevant offers delivered to customers as they shop in those stores, based on real-time data and insights.

Business such as these, as well as Amazon and T-Mobile, are leading the charge in the US, part of the 68 per cent of US businesses that undertook big-data initiatives in 2012. Yet only 32 per cent of Australian business leaders said they had done so last year.

Australian brands such as Qantas, Virgin, Myer, Coles and Woolworths have the advantage of large internal databases built off loyalty programs. Those programs provide terrific opportunities for developing deep purchase-behaviour knowledge and, in turn, personalised and relevant offers and service. So they are well advanced in embracing big data, and will be even further down that path when they overlay external data.

For businesspeople who feel they're still at the starting point, it's important to overcome the daunting confusion about where to start. Take simple first steps. Develop a great plan for data based on how it will help deliver the goals of the business. Or begin collecting data and storing it in a way that can be easily accessed by the right talent down the track.

Or use small pockets of that data to test and learn. Then it's one step at a time, rather than trying to figure out how to leap straight to big data nirvana. Amazon's big data play didn't happen overnight. But by tackling it one chunk at a time, the possibilities are now extremely exciting.

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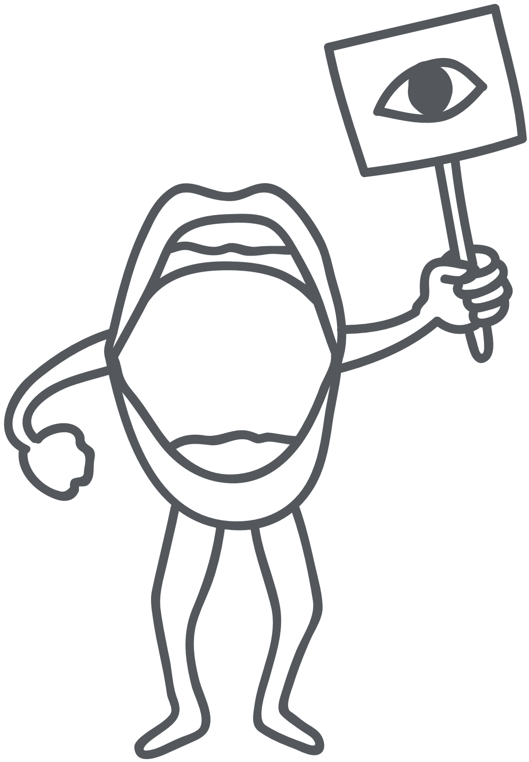
http://www.theaustralian.com.au/news/features/big-data-really-is-better/story-e6frgabx-1226696492732

2013 Federal Election

It's time we found a catchy election slogan



Famous election advertising campaigns have been few and far between.

The 1972 ‘It’s time’ campaign, after Labor’s 23 years in the political wilderness, is Australia’s best example. We also remember ‘Kevin07’, Don Chipp’s ‘Keep the Bastards Honest’ for the Democrats, and to a lesser degree the Liberals’ 1996 call that ‘Enough is enough’ after 13 years of Labor government. In the US, we recall Barack Obama’s ‘Yes We Can’, and ‘All the Way with LBJ’.

They are all famous campaigns that drove buzz and talkability, that became part of popular culture, and that delivered the ultimate election result. More proof to add to the British Institute of Practitioners in Advertising’s findings that ‘fame’ campaigns have a 72 per cent chance of being effective.

There are clear parallels with Australia’s most famous, and similarly successful, ad campaigns running outside of politics, such as ‘Not happy, Jan’ and ‘Sick ’em Rex’. They are all memorable, engaging and simple.

And like famous election campaigns (with the exception of ‘It’s time’), none has relied solely on a slogan or tagline to capture attention or drive awareness, yet they’ve all become part of the vernacular.

At a stretch, you might remember that the Qantas ‘I still call Australia Home’ campaign was followed by the ‘Spirit of Australia’ tagline, but you’d really be stretched to remember Kevin07’s ‘New Leadership’ slogan. What people remember is just Kevin07 and what that stood for. And that’s the point in 2013.

With vanilla concepts and slogans front and centre for the Liberal and Labor parties, where is the famous, memorable, schoolyard-mimicked moment going to come from?

2013 Federal Election
It’s time we found a catchy election slogan

There are also a couple of big lessons to be learned from the ad campaigns that delivered a change in government, after two or more terms in opposition.

Think 1949, 1972, 1983, 1996 and 2007. Firstly, they were created by Australia’s best ad people at the peak of their powers, not by faceless spin doctors and researchers; ad people with an innate ability to understand the pulse of Australians.

Solomon ‘Sim’ Rubensohn, Paul Jones under the supervision of Rubensohn, John Singleton, Ted Horten et al and Neil Lawrence. The big question in 2013 is whether the Liberal and Labor parties have the cream of today’s ad talent at their disposal.

Second, these were ad people who not only knew the power of famous campaigns, but also knew the power of innovation. In 1949, Rubensohn, a lifelong Labor man, switched sides and delivered the Libs a first for election campaigns.

Fifteen-minute radio plays, lampooning the Labor government, political satire at its best, for 18 months leading into the election. Entertaining, innovative and memorable – a campaign that entered the popular culture of the time.

In 1972 Rubensohn had switched back to the Labor camp, in an overseeing role, as his agency created ‘It’s time’. The innovations and firsts continued. Famous Australians singing the jingle. The song actually released as an LP.

The line plastered over merchandise, from t-shirts to matchboxes. A campaign organised at a national level for the first time. A campaign led by television for the first time. Engaging, innovative, memorable. Recited by kids and adults across the country. Famous.

Fast forward to 2007, and the power of social media was used for the first time by Labor and Lawrence to create a two-way dialogue with Australian voters.

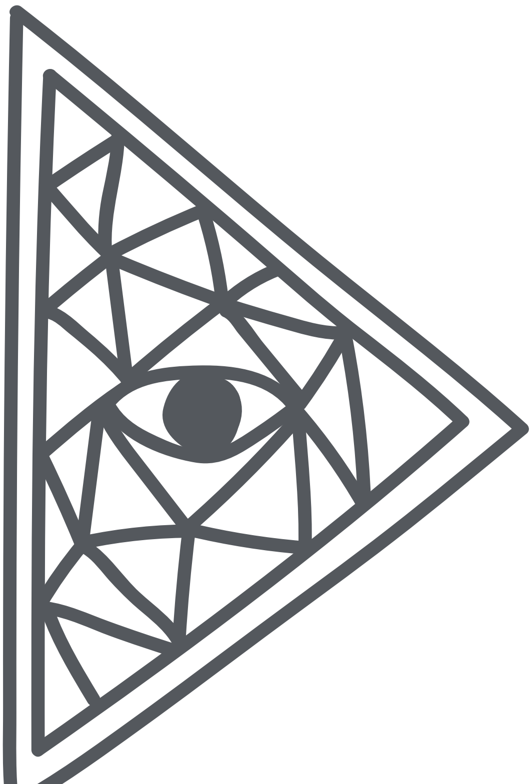
It mirrored the era that the communications industry had recently entered, where brands no longer shouted one way at consumers, but engaged with them in conversation. Kevin07.

Once again, engaging, innovative and memorable. One has to ask the question in 2013: has either major party heeded these lessons? They certainly didn't in 2010, with both parties' campaigns remarkably unmemorable. One week into the election countdown, 2013 is feeling more 2010 than 2007.

Originally published in the Media Section of The Australian, 12 August 2013. *http://www.theaustralian.com.au/media/its-time-we-found-a-catchy-election-slogan/story-e6frg996-1226695176528#*

Video Content & Distribution

Content is king – again



A seismic shift is occurring in the world of video content and distribution.

The once-dominant Hollywood production houses and free-to-air TV networks were joined a decade ago by global production companies such as FremantleMedia and pay-TV. Now Amazon, iTunes, Netflix and YouTube have moved in.

Advertisers will always follow the majority of their target audience, who will be attracted to the most relevant and entertaining content.

Young kids don't distinguish between television, DVDs, iPads, smartphones and computers. To them they're all screens to watch the 'show'. If Sesame Street is not running when kids want to watch it on TV, they're very quick to find it on Google or YouTube. Sesame Street's YouTube channel has more than one million subscribers.

YouTube has been a big mover in the past two years around such video content distribution channels. The viewer statistics are huge: one billion users a month, growing at 50 per cent a year, who spend an average of six hours each month viewing their favourite video content. Today some YouTube channels have audiences bigger than mid-sized US cable channels.

In a recent US survey, young adults between the ages of 18 and 24 were consuming 23 hours of television a week on average, and another two and a half hours of video content online. It's little wonder that Amazon has decided to move from a pure distributor of video content to a producer of content as well. It recently commissioned 14 TV show pilots, and asked viewers to vote on their favourites. Five of those were chosen based on the feedback, and are now in production. One of them, Alpha House, stars John Goodman. They will be available exclusively to Amazon's Prime members, its most valuable customers.

Video Content & Distribution
Content is king – again

As marketers' agencies keep a close eye on this viewer shift to optimise media budgets, they are also encouraged by this more competitive media market. The traditional media owners, so used to developing and distributing their own video content, are now more willing to look at other content-creation options to ensure advertising dollars remain with them. This has seen the rebirth of branded content – co-created by the brand and the media owner for the benefit of both. In Australia, Woolworths is front and centre of the Ten Network's Recipe to Riches. It's a behind-the-scenes look at the process of products getting to shelf – and it's good for Woolworths and for Ten. Marketers need to embrace the more complex market as it's providing more opportunities to reach and better engage viewers.

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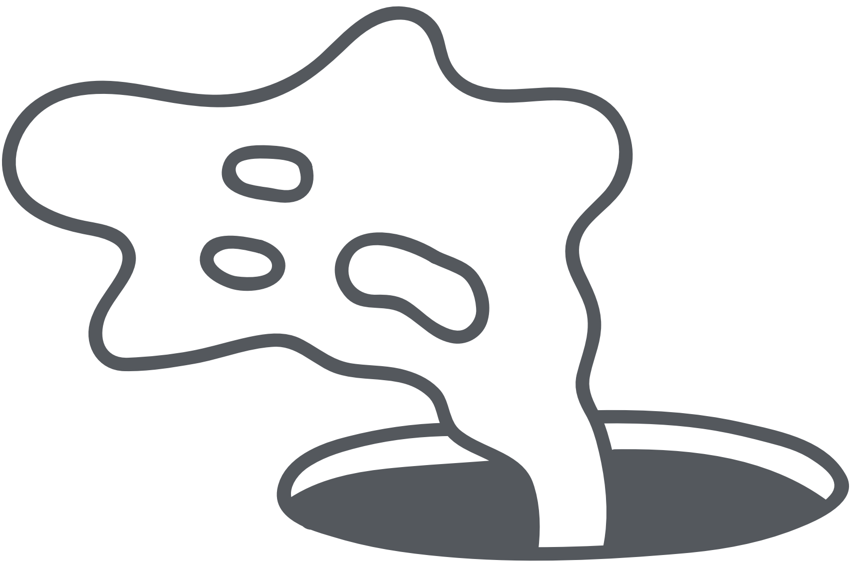
http://www.theaustralian.com.au/news/features/content-is-king-again/story-e6frgabx-1226720155061#

Notes

Brands
Reclaiming a good brand name



Think about where the word ‘brand’ came from. It was ‘branding’ cattle to mark a farmer’s ownership of them.

In time, people came to prefer some beef over others, and were then happy to pay a higher price for that perceived quality. If the taste remained good, or improved, that brand remained strong. There was an emotional connection and people were prepared to forgive one poor taste experience if it was followed by a great taste experience. But two or more bad experiences would soon see a cattle brand fall by the wayside. No amount of excuses could save it.

Apple, Vodafone, the Essendon Football Club and the ALP have all had falls from grace after long periods of goodwill, and some have come out the other side better than others. Each has key lessons on how marketers should manage their brands, particularly after big hits to their image.

In 2010, Apple had product issues around the iPhone 4. It was big but it was a one-off, and Apple enthusiasts quickly forgave them.

Vodafone then had problems with call dropouts – it was another one-off but it took time to sort out and overcome. Chief executive Bill Morrow rebuilt the network in a very transparent manner. No spin, just the facts, more ‘do’ than ‘say’. As a result, the brand is now poised to raise its head above the precipice to compete strongly once more.

Brands
Reclaiming a good brand name

Essendon Football Club has just endured a big hit to its brand. It would be well advised to look to its rugby league neighbours, Melbourne Storm, in how to ensure it remains a one-off so the brand can be forgiven and move on. Not only was there incredible leadership shown at the Melbourne Storm by the incoming chief executive, Ron Gauci, and the coach and captain in Craig Bellamy and Cameron Smith, but there was also an innate understanding of how to resurrect their brand.

According to marketing guru David Aaker, brands are built on four dimensions. First, how different the brand is. For example, Vegemite is very different from other food brands. Second, how relevant a brand is to people. Louis Vuitton is relevant to only a small group of people, whereas Woolworths and Australia Post are relevant to everybody. Third is the perceived quality and popularity of a brand. Even if you’ve never driven a Holden, you have an opinion on how good their cars are. Finally, how much people know and understand a brand. Most Australians know that Qantas has a white kangaroo on the tail and has a great safety record.

Melbourne Storm focused on the latter two dimensions – improving the quality of its brand and what people understood about the brand. The keynotes were transparency, honesty, leadership, a strong sense of community, and hard work both on and off the field. The team walked before they talked. They made sure the salary cap issue was a one-off. In turn the brand was restored in three years.

Six weeks after the federal election, the ALP brand has the burden of overcoming multiple poor experiences among the Australian population, such as the toxic relationship between Kevin Rudd and Julia Gillard and the poor execution of many of their policies. The party also needs to define why its brand is different and why it is relevant to the Australian people. It needs to earn its stripes again. It's time – time to stop 'saying' and start 'doing'.

Marketers would do well to heed the key principles of brands, in both good times and tough times. The cattle farmers of yesteryear had many things right. Their simple philosophy was to do the right thing by their brand and the rest would look after itself. They 'walked the walk' before they 'talked the talk'. Even in today's more complex world, marketers shouldn't overthink how they manage their brands. Sticking to the core principles will serve them well.

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http://www.theaustralian.com.au/news/features/reclaiming-a-good-name/story-e6frgabx-1226741739936#

Channel Planning

Making an impression

As senior marketers plan for the year ahead, two of their big questions are how best to spend their communications budget and which agency can give them truly independent advice on this.

There are three main kinds of media to get a company's message across – 'paid' (the traditional advertising outlets of television, print, outdoor and radio), 'owned' (the company's website and social media outlets) and 'earned' media (word of mouth). In the 90s, an effective marketing campaign would use an average of three media channels. Today this has jumped to seven channels, with the average consumer now seeing 3,000 media impressions a day. Traditional channels such as television, print, outdoor and radio have been joined by a myriad of digital channels to drive awareness, understanding and purchase of a brand. Media agencies are best equipped to determine the optimal mix of these channels to do this.

And while there has been a swing away from traditional paid media towards owned and earned media, traditional media is still producing great results for many brands in fast food, insurance, banking and retail. The fastest-growing area is media that the brand owns and controls – its website, Facebook page, Twitter feed, mobile site, app and blog. While this form of media is free to publish, the set-up costs are not; nor are the cost and time in creating quality content for those assets.

Tourism Australia and Nike leverage their owned media brilliantly, constantly evolving and updating those channels to meet consumers' needs. Department stores, car companies and fashion houses do the same. It is the space where digital agencies come into their own.

Earned media has been around forever. It is when consumers become the channel – old-fashioned word of mouth. Public relations agencies have been leading the charge here, seeding ideas for the brands' fans to take to another level and discuss. The best earned media is undeniably positive. Think Earth Hour and Dumb Ways to Die (a rail safety campaign that went viral). Every marketer would love their earned media campaign to go viral to those extents, but the reality is that the event, content, app or ad campaign needs to be of an incredible quality to do that. For every Rhonda and Ketut (AAMI), there are 10 times the planned earned media campaigns that went kaput.

So what is the right combination of the three channels? The answer is in another two questions – first, what is the business problem you are trying to solve? Second, if the consumer does 'x' now, what do you want them to do in the future? You can then map out the journey the consumer needs to take to shift their behaviour. There will be barriers the consumer will face, where communication is needed to help them move ahead. There will also be times when the consumer seeks information. Only by identifying these can a marketer decide how to split the budget first among paid, owned and earned media, and then among the particular media channels within each.

Media agencies' channel planners are very good at determining the right media channel mix within paid media, as are digital agencies' strategists within owned media, and PR agencies' strategists within the earned media space. But the creative agencies may be best placed to help marketers work through the business problem and customer journey required. Globally, the bigger creative agencies, with the full suite of specialist communications disciplines to tap into, are bringing in the role of a true channel planner. And marketers are benefiting by having an independent adviser close at hand to determine the right mix of paid, owned and earned media in the communications plan.

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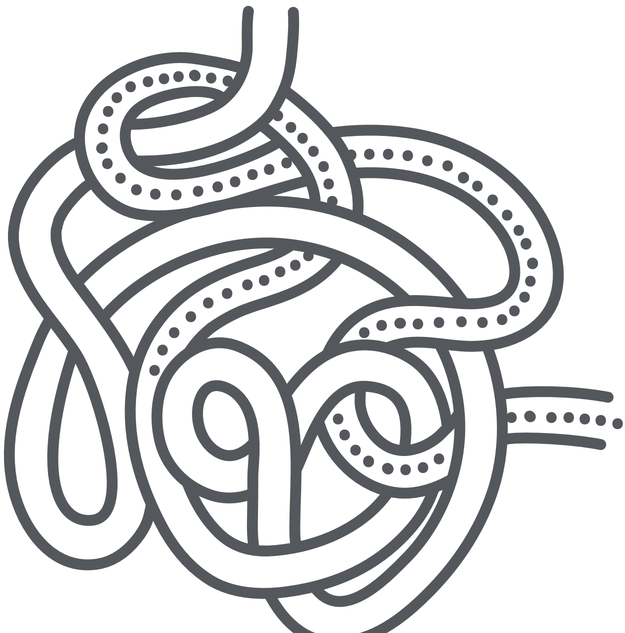
http://www.theaustralian.com.au/news/features/making-an-impression/story-e6frgabx-1226758260269

Customer Journeys

The customer's path to purchase is a lot more complex than it used to be



Persuasive advertising theory a century ago had marketers trying to reach consumers with the same message three times – the first to make them aware of the product or service, the next to build their knowledge of it and then the third to drive that consumer's intention to buy it.

Take the marketing of wine in the first couple of decades of the 1900s. Penfolds is a great illustration. There are some terrific examples to be found in the various state library archives, all extolling the unequalled quality of the grapes and the wine itself. It was a single-minded message, delivered to the potential consumer along the various points of what was then a fairly simple path to purchase. Make the consumer aware of the wine via the print ad, remind them as they pass a billboard on the train on the way home, build their knowledge via reviewing the wine in the newspaper and sampling it at an expo, and then entice them to buy as they walk past a well-displayed store window.

Fast forward to the second decade of the 2000s, and the internet, technology and a 20-fold increase in media channels mean a consumer goes along a far more complicated path to buy a bottle of wine. Navigating all of this has become the holy grail for marketers – how to plan, articulate and adjust the role of each message within each channel in close to real time. And how best to use big data within CRM (customer relationship management), digital assets, activations, social media and advertising across a customer's journey – from interest to discovery, to purchase, to usage, and sharing opinions afterwards.

Customer Journeys
The customer's path to purchase is a lot more complex than it used to be

So for a winemaker today, a customer's path to buying its wine provides not only a great challenge for its marketers but also a great opportunity. Consider a typical 2014 journey. Customers who love wine often post on social media about which bottle they have just opened, and they subscribe to email and printed newsletters from some of their favourite wineries and their local bottle shop. They take note of the reviews from top wine critics in magazines, newspapers and online, and which wines are on special.

As they walk past a bottle shop on the way home from the station they are too time poor to stop despite having received a push message on their smartphone for $10 off any purchase. So in front of the TV that night, they Google the two wines they were thinking about, and then check out the prices at the wineries as well as two online sites and Dan Murphy's. They look up at the TV and see Australia needs 20 runs in the last three overs to win, so they figure they can sort out the wine purchase tomorrow. The following day ads appear on news.com.au from two of the sites they had searched the night before, as well as in their Twitter feed. They click on one and finally buy six bottles. They then go back online to search the best way to cellar them.

You get the picture: it's complex. So where should marketers start? Mapping out consumers' paths to purchase is critical, and involving agency planners, as well as retailers and major media players such as Google, is key, given the data and research they have at hand. Once the map is complete, it's a matter of looking at each consumer's touch point with the brand along that journey, and determining the best message and channel to use.

A recent study in the US saw 68 per cent of marketers put integrated marketing communications as the No. 1 skill they were looking for from an agency and, given all of the above, it is no wonder. With a competitive advantage available to those brands that get to this marketing nirvana first, one can expect this to be a hot topic for the C-Suite this year.

Originally published in The Deal magazine in The Australian, 20 Feb 2014.
http://www.theaustralian.com.au/business/the-deal-magazine/how-to-navigate-the-many-digital-paths-between-wine-and-its-customers/story-e6frgabx-1226832856189

Customer Service

Customer service takes on social media

There's a dichotomy in the world of customer service. Marketers and retailers are under pressure to cut costs, but customers' expectations of great service are rising.

Retailing provides a great example. In store, companies have cut costs by cutting staff numbers, which puts enormous pressure on the remaining few to deal with customers. To enable more face-to-face customer service time where it really matters, some stores are automating areas that don't really require interaction. This is why supermarkets have moved to self-service checkouts.

But the real breakthrough for marketers has been in using social media. Twitter has become the go-to customer service tool for many brands. Staff from the shop floor, marketing and the brand's call centre are trained in how to listen to social media conversations about that brand, and respond in real time.

Social listening tools such as Radian6 highlight when a brand is mentioned on Twitter, Facebook, Google+ and Instagram, and alert staff. If somebody is complaining about poor customer service, then that brand can respond, just as one would in an email or on the phone. There are many great anecdotes of a customer venting their frustration to their friends on social media, only to have the brand write back instantly, apologising and asking the customer to contact them so they can help. That creates a huge swing from a negative brand moment to a positive one.

Australian start-up Local Measure is making an impact in its home country and in Asia with its ability to listen to social media conversations in retail environments, even if the brand is not mentioned. It uses precise geo-targeting to alert the brand's custodians that somebody has an issue in a store.

Customer service takes on social media

For example, if a customer posts a picture of a rubbish bin overflowing in a fast-food outlet, with a comment “Disgusting”, Local Measure can alert head office instantly and the store manager can be contacted to fix it.

An ability to respond in real time is now just the cost of entry. The new game is anticipating customer needs before they arise. And consumers are beginning to expect this level of service, because they know brands have an incredible amount of data about them. For example, as you are viewing a brand online, the website can suggest a special offer tailored just for you. Great. But as you click through to take up the offer, you are asked to fill in all your details again.

Very frustrating. A positive service moment turned into a negative one.

Conversely, some stores are anticipating customers’ needs by encouraging them to buy bulky, big-ticket items on their mobile device in store and have them delivered for free the following day. Better to provide multiple ways for a consumer to buy your product, and wear the cost of free Wi-Fi in store, than to lose a customer who is worrying about lugging that big item back to their car.

Proactive customer service is the ultimate goal. Again, Local Measure is working with Qantas in its first-class lounges around the world to provide just this. A passenger tweets to their followers about their 24-hour fight ahead, and wishes there was a fresh juice on the lounge menu to pep them up before they fly. Local Measure ‘hears’ this, and a few minutes later the waiter walks over, saying they heard you were after a fresh juice.

Simple but powerful customer service.

North American start-up Inside has built a platform allowing retailers to see little avatars moving around their website representing visitors.

If somebody looks 'stuck' in an area of the store, Inside can begin a conversation with the customer. "You look a little stuck, do you need any help?" pops up in a message box.

The ability to enable great proactive customer service in store and online is here. Retailers that invest in these tools and skills are beginning to skip clear of their competitors.

Originally published in The Deal magazine in The Australian, 17 April 2014.
http://www.theaustralian.com.au/business/the-deal-magazine/customer-service-takes-on-social-media/story-e6frgabx-1226886700486

Loyalty Programs
Perks and perils of loyalty programs

Speculation differs as to the origins of loyalty programs. They were created to avoid price discounting and drive additional purchases by providing a reward to win over consumers' hearts.

In the 1800s, trading stamps were given to people who paid in cash instead of on credit; the stamps could be used to buy other goods at that store. By the 1950s, the Sperry and Hutchinson Company in Britain had a virtual monopoly in this space with their Green Stamps. Many Brits in their 50s and 60s remember collecting them with their parents, and gazing into the glass box of toys and books they could redeem them for.

Fast forward to 2014 and the average American has 7.4 loyalty cards in their wallet; Australians are not too far behind. Brands are still trying to create the ultimate win-win. Despite operating in a far more complex marketing world, the basics are the same – make the loyalty program simple, relevant and valuable to its members. Brands that have done so have been rewarded.

Myer's MYER One program has more than five million members – about 20 per cent of the population – and they account for more than 70 per cent of the spend in some Myer stores. When launched less than 10 years ago, it had a shopping credits system that meant that for every $1000 you spent, you received a $20 gift card. The program soon added surprise and delight by sending members a gift card for their birthday. And then it divided members into gold, silver and bronze tiers to provide additional rewards such as personalised offers and invitations.

In more recent times, other businesses have come on board as partners so that members can earn additional points for buying at non-Myer stores. It's a program that rewards the best customers while optimising the profit that can be made from them. Myer's gold members love their $20 birthday gift, and Myer loves that they spend more than $70 when they visit a store.

Research backs up the need to balance the rational and emotional benefits – the inherent financial reward – with the ability to win over members' hearts and minds. Today, so-called soft rewards such as giving points when members share news about a brand on social media, or sending gift cards for simply logging on their online account, are as important as the anticipated financial rewards.

Qantas' recent decision to switch the way points of Frequent Flyer members are calculated, from how far they fly to how much they spend, should in the long run tick the rational benefits box, particularly for regular business travellers. It's a decision other airlines have already taken. But announcing the change just after a half-year loss did not tick the emotional benefits box, according to social media feeds.

A recent Infosys retail survey shows that 78 per cent of members are more likely to spend again with a brand if it provides them with relevant personalised offers. Members expect that you will use the data you have on them to send them perfectly targeted deals. They expect your call centre to be waiting to answer their call or tweet, or that the answer is on your website. When they go to buy something, they expect a quick and easy sale and that you'll know where to deliver. When they want to redeem their points, they expect to be able to do so in store, on the website, via the call centre, or on their mobile.

Some marketing, operations and IT teams have worked hard to set all of this up in-house, while others choose to work with external partners. Regardless of the internal-external debate, marketers must fight hard to keep their loyalty program simple, relevant and rewarding for their members, while having access to the latest software and hardware to run it successfully.

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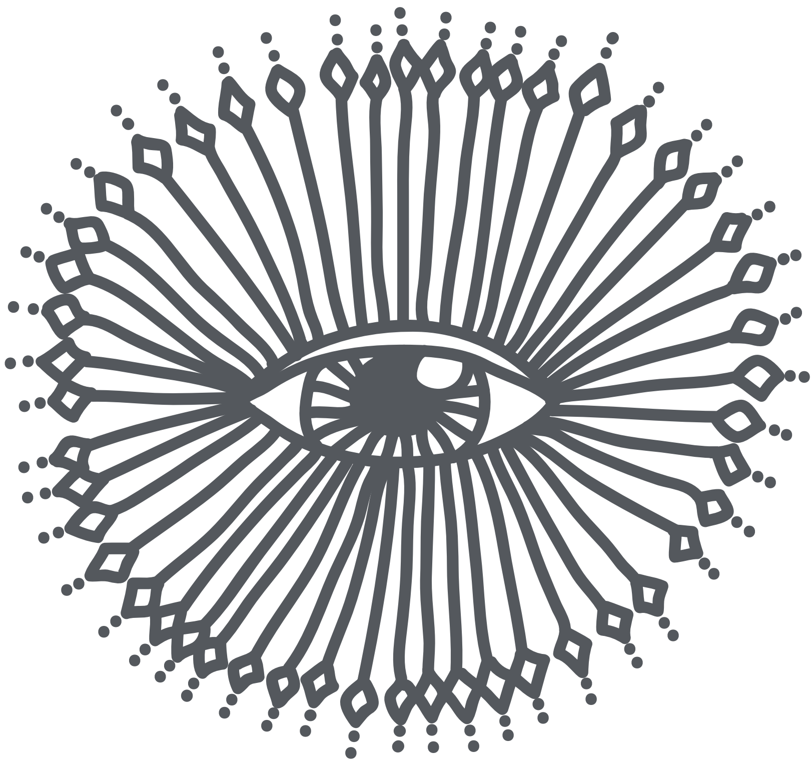
http://www.theaustralian.com.au/business/the-deal-magazine/perks-and-perils-of-loyalty-programs-from-green-stamps-to-myer-one/story-e6frgabx-1226915994284

Creativity
The business of creativity



Australians have always been an inventive lot. In the 19th century, our creative thinkers invented the refrigerator, mechanical clippers and the electric drill. More recently, it was the ultrasound scanner, the black box flight recorder and the bionic ear. All have become part of our everyday lives because they solved problems.

Today such creativity is widely sought-after by companies big and small, as they try to grow the bottom lines of their business. Google's '20 per cent time' program encouraged employees to spend the equivalent of a day a week experimenting with their own ideas. Gmail is its most famous result. Others have used the pressure of limited time as a motivator. The chip that powers most of our mobile phones today was created in such an environment.

Driving a culture of creativity requires a strong intention from a leader and a highly motivated workforce. Startups naturally have these, but they're scarcer in established businesses. It is essential to reward and recognise team members who demonstrate the required behaviours, as is setting up the right processes and symbols to help them embrace creativity. In US corporates, this has led to the rise of roles such as creative officers and entrepreneurs-in-residence. Global firm Ideo has come up with Design Thinking, a human-centred approach to helping organisations innovate and grow, while Australian software developers pioneered hackathons to collaborate intensively. Facebook's 'like' button was created during one of these sessions.

Creativity
The business of creativity

Business can learn from the incredible creativity and innovation of the Renaissance. Medici's leadership brought together the great creative talents of the day – da Vinci and Michelangelo included – to enable creativity to flourish, not only in their art but in their influence over banking, politics, medicine and education.

In the 21st century, every June, the Cannes Lions International Festival of Creativity brings together 9000 marketers and advertising folk to hear the latest theories, and judge the previous year's most creative campaigns. As in sport, Australia outperforms its larger counterparts. 'Earth Hour', 'The Big Ad' for Carlton Draught and 'Dumb Ways to Die' have all been rewarded with accolades and have been gamechangers for the brands.

The Bill Gates Foundation has challenged the talents that gather each year at Cannes to solve one of the globe's biggest problems. Last year it was how to lead the fight against extreme poverty. Any of the attendees may put forward a creative solution. The winner then works with the most highly awarded creative talents from that year's festival to bring the idea to life, with funding of up to $US1 million. With a recent study showing that 80 per cent of people in the world's five largest economies believe that unlocking creativity is critical to economic growth, why aren't more companies investing in creativity? The answer lies in the perceived risk. Creativity is by definition something new and untested. Therefore, unlike other investment decisions, an accurate outcome cannot be predicted based on historical information.

Take the idea of putting people's names on a Coca-Cola can. It had never been done before. It took courage to recognise the power of the idea. And like many other great Australian ideas, it has now run successfully in more than 50 countries and been recognised at Cannes not just for the idea itself but also for the successful sales results.

The ability to judge a great creative idea in its infancy is a skill that marketers, senior management and boards need to cultivate. They also need to have the courage to believe in the results that can be achieved with something that hasn't been done before. Organisations championing creativity are better at solving their business problems, adding value to their brands and outperforming their competitors. Companies not tapping into Australia's top creative thinkers are missing a major opportunity for growth.

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Big Data
No longer lost in data space

COMPANIES: consumers know you have a lot of data on them – and they now expect you to use it to their advantage. They expect you to have all of their information at your fingertips when you ring them or chat to them in store. They expect just the right number of emails with the latest offers – offers that are relevant to what they need.

CONSUMERS: you are probably not aware that many of our largest companies, which have the most data on us, are struggling to bring it together. Many of our banks have evolved with one computer system for home loans, another for savings accounts and yet another for credit cards. Some phone companies have one system for your landline, one for your mobile, one for your broadband and another for your cable TV. Ever moved house and had to make four phone calls to get all of these things installed?

The nirvana of ‘one view of customer’ is mighty tough when you have four or five large legacy computer systems that have to come together. The cost is in the tens of millions of dollars.

The advantage that Apple, Google and Myer, as examples, have had for the past five years, is one computer system with one set of data, setting the standard that today’s customer expects. This is why many small businesses have such great customer service and an ability to tailor offers to their customers. They know them. Everyone remembers the local butcher. “Hi, Mr Jones, how were those porterhouse steaks last Friday? We have them on special today, or you could try the beef Wellingtons we made earlier this afternoon.” Or the local barista. “G’day, Amanda, skim latte with one sugar?
How about a fruit salad with that this morning?”

But there is hope for companies with multiple computer systems, staring up the mountain of a large capital investment to bring them together. Both Australian and overseas data companies have raced to solve the problem by dragging the data out of each computer system in real time, into one server, so that it can provide one view of a customer.

The good data companies can bring this data together into beautiful, easy-to-comprehend dashboards. They can even bring in external data sources such as a customer's Twitter feed to sit alongside the information they already have. But once a company has all of this data in front of it, the next thing is to mine it, understand it and use it for the benefit of the customers and the company alike.

Imagine ringing your bank to redeem the loyalty points you've accumulated. Once that's done, you ask if you can open another savings account to put money into each month for that upcoming holiday. The answer you want, and that is now possible via these data companies, is "Sure, just hang on a minute while I transfer some of the information we already have on you across so I can open a new account for you … and while we're waiting, I see via Twitter that you had an issue two weeks ago on the wait time in the Burwood branch – did everything get sorted out OK?" The answer you're used to is, "I'm sorry, I'll have to transfer you to our savings account team."

The best data companies are not only doing this but have also built in a 'next best action' algorithm for the person providing the customer service. So in the example above, the Twitter issue would have been automatically flagged by the system and it might have also flagged that the anniversary of the customer's home purchase was coming up, and would they like a quote on house and contents insurance.

The next best action is also highly beneficial for direct marketing to a company's database, automatically tailoring offers to the right customers at the right time.

As we entered 2014, big data was a hot topic. Various predictions for the top trends in marketing for the year included that customer data would continue to go unused because of the time and costs involved in bringing it together. And at the same time, there were predictions that marketing would become even more data driven and that data sources would continue to grow.

Some of Australia's largest companies have made huge investments into this space to keep up with these trends, with Woolworths spending $20 million to buy data company Quantium just over a year ago and Telstra announcing a $60m investment into data marketing earlier this year. However, there are also now options for marketers with far smaller budgets. The 'one view of customer' is here, and customers are expecting you to be using that data well.

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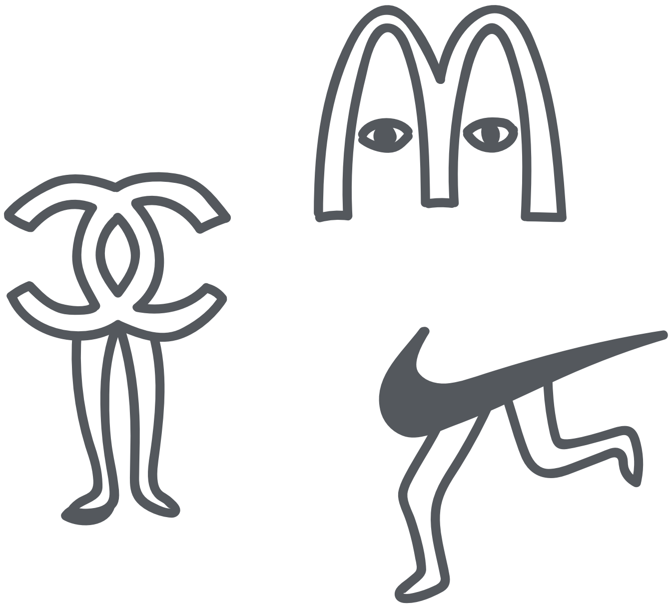
http://www.theaustralian.com.au/business/the-deal-magazine/lost-in-data-space/story-e6frgabx-1226988516943

Brands
Why people want to become more like brands, and brands want to become more like people



There has been a sliding-door moment in the past decade, as brands have wanted to become more like people, and people have wanted to become more like brands. Some brands have been very successful in making the transition, by embracing the traits and values we admire and like in people. Some have not.

Likewise, some people have successfully built their own brand by understanding classic brand theory and which levers to pull. Then there are others who latched on to the trend, but had no idea that there were some well-learned principles in how to build a successful brand.

Brands began attempting to become more like people with the advent of social media nearly a decade ago, as consumers started wanting a two way conversation with their brand. Until then, brands had just talked at you. Here's our great washing powder – here's what's in it. Here's our new bank – we promise our home loan rate's better than the others. Sure, brands could be entertaining and bend the truth a little, but it was a one-way conversation. A two-way conversation meant a brand had to be responsive, willing to listen, engaging, empathetic and friendly. And today on Twitter, brands such as Australia Post are like this and will have a friendly conversation with you.

Rewind 10 years when brands started to act more like people, there was a group of people that wanted to act more like brands. They were high-profile people; celebrities, sports stars, politicians, pop stars, chefs and business leaders. Phrases like "that's good for their brand" started sneaking into the vernacular. They were attracted by the success of brands that could control and spin their message; where consumers only got to hear what those brands wanted them to hear.

Brands
Why people want to become more like brands, and brands want to become more like people

The problem was that they had jumped in at the tail end of an era of one-way conversations. Consumers and technology had quickly moved to an era of two-way conversation with brands. They also knew little about classic brand theory, ignoring years of leanings of how to successfully manage a brand. Great brands, as guru David Aaker points out, are built on four key pillars: they are different, relevant, well regarded for their quality and popularity, and people understand them. Get these four pillars right and you have a successful, enduring brand. Get them wrong and things go downhill quickly.

Jamie Oliver was one of the first celebrity chefs to latch on to being a brand in the new era. He didn't pretend to be anything but himself, he was cheeky, approachable and likeable. It was as if he was having a conversation with you through the television.

He understood how to manage the four key pillars. He was different – he wasn't your typical looking chef – and his recipes and passion made him extremely relevant to households around the world. He retained his differentiation and relevance as time passed by evolving a passion for tasty, healthy food for financially constrained people. Consumers felt they knew him and his family; he was popular despite being caught in a dispute between farmers and Woolworths. But by understanding and managing these four key pillars over a long time, his brand has easily survived that hiccup, and shown the way for a generation of celebrity chefs looking to manage their personal brands. Similarly, music stars Delta Goodrem, Kylie Minogue and Joel Madden have evolved their brands through their involvement with talent show The Voice. Each had been different enough as artists in the past to sell millions of records, but through the television show consumers had the opportunity to know them in more depth, raising people's perceptions of them and making them more popular and relevant – classic brand theory executed well.

Conversely, many politicians looking to build their brands are yet to heed the lessons of the four key pillars; many still have a one-way conversation mentality. It's why the best personal politicians' brands are always in opposition. There's less to lose. They are more likely to be themselves with no public relations folk pawing over every word they are about to say or tweet. They have more time to spend in their electorates listening to people and having two-way conversations. They get less airtime, so when they do, they have to work hard to differentiate themselves and stay relevant, and to let the Australian public get to know the real them.

Today's business leaders can also learn from these lessons as they look to build their own personal brands. But as people want to be more like brands, they have the added obligation of managing their commercial brands to be more like people, as is the want of consumers in 2014. Those that get it right will have a distinct advantage.

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http://www.theaustralian.com.au/business/the-deal-magazine/jamie-oliver-epitomises-the-era-of-brands-as-people/story-e6frgabx-1227022101972

Brand Engagement vs Customer Engagement

The shift from pull to push strategies

Twenty years ago, tourists visiting the heart of Australia would take a shot of Uluru, race home, get the photo developed, and be one of the first of their friends to show it off.

In today's more connected media world, in the click of a button you can find thousands of pictures of Uluru from every angle possible. Now tourists want their own unique experience. The ability to explore and discover something new, and share it instantaneously with their friends.

Tourism marketing over the past 20 years provides a fascinating example of the swing from brand engagement to customer engagement; from pull strategies to push strategies. Technology and more savvy consumers have made marketing more complex in the past five years, yet one thing has remained constant: famous campaigns are the most effective. The challenge for marketers is to find the balance between that push and pull; between pushing customers at those many moments of decision to purchase a product or service, and pulling those customers towards that brand with famous campaigns to increase the likelihood of them purchasing it.

Tourism bodies and companies are scrambling to use technology to drive customer engagement. There is a strong link between social-media sharing and holidays – the instant version of yesteryear's holiday slide show. Tourism Australia, Tourism and Events Queensland and Northern Territory Tourism are just three of the bodies that have embraced this on social media feeds such as Instagram, Google+ and Facebook. They share both travellers' photos and professional ones, highlighting the beauty and the unexpected of the regions, the things you can do there, encouraging customers to chat about them and in turn push them to plan and book a holiday.

Brand Engagement vs Customer Engagement
The shift from pull to push strategies

Qantas' hooroo.com was one of the first social-media led e-commerce sites in the world. It is a site with great customer engagement, doing the retailing of tourism – the sales, the prices, the packages and the events – very well.

Today's smartphone provides a great opportunity for tourism bodies and companies to engage with customers to increase their spend while they are on tour. Smartphones and tourists literally go hand in hand. Australian start-up WineHound has developed a smartphone app that helps tourists navigate every wine region in Australia. If you're heading to the Yarra Valley you can prepare and save your itinerary to take in your choice of wineries and events, and Google maps will guide you through it. If you find a winery, or a wine or two you like, you can save them as a favourite so you don't forget them later. Wineries can have their wines listed on the app with a mobile-commerce site link enabled.

Northern Territory Tourism has embraced another great push strategy to engage local and international visitors via their smartphones. By offering free Wi-Fi in the main thoroughfares of Alice Springs in exchange for the tourist's email address, NT Tourism can then send them relevant messages at relevant times to push people to tourism operators and destinations they may not otherwise have known about.

Technology advances are driving an increase in push strategies for tourism marketers to engage the customer close to the point of purchase. Yet, 20 years ago, tourism marketers spent most of their budgets on pull strategies, in engaging customers with the brand, using that emotional side to draw you into having a holiday in Australia versus overseas. Famous tourism campaigns such as 'Beautiful one day, perfect the next' or 'You'll never, never know if you never, never go' or 'You'll love every piece of Victoria'.

Filmic and iconic images of the Rock, the Bridge and the Reef. And famous campaigns have since proven to have a 72 per cent success rate in being effective, far greater than the percentage for rational campaigns.

The trap for today's tourism marketers is in looking to swing some of their focus back to this classic pull strategy. In 2014 the prospective tourist has moved on in what they want out of a holiday. And that means they are no longer swayed and engaged by the brand-building postcard images of the Rock, Bridge and Reef. It's why Tourism Victoria's current campaign, 'Play Melbourne', is the most famous of today's campaigns. And also the most balanced between push and pull, between customer engagement and brand engagement. And it's also why both the federal and NT governments see so much potential for tourism in the Northern Territory. There are so many places and things to do up there, beyond the Rock, that are crying out to be discovered, explored and shared.

Whether it is tourism or any other category, in today's digital age marketers not only have to use technology to engage customers through strong push strategies and tactics, but balance that with strong pull strategies that drive big behavioural shifts with customers via famous brand-building campaigns. Those who find that balance will succeed over those who don't.

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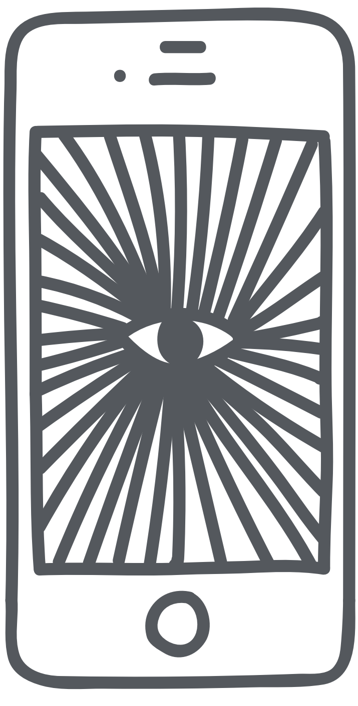
http://www.theaustralian.com.au/business/the-deal-magazine/how-social-media-is-turning-holidays-into-a-live-slide-night/story-e6frgabx-1227062374586

Mobile Advertising

Advertising options should reflect the time spent on mobiles



Consumers now spend 20 per cent of their time on their mobile devices. The big question around this move to mobile is how to best commercialise it from an advertising perspective.

It's a similar question to the one the internet on your desktop posed 15 years ago. A highly relevant, popular and engaging medium, but how do those content and utility providers get paid for providing all that interesting stuff to an increasing number of users? Are they providing advertising options quickly enough for brands wanting to get their message to this rapidly growing audience?

The desktop eventually spawned the money-making banner ads, search engine optimisation (SEO), and search engine marketing (SEM). As the desktop moved to the smaller screened laptop, website landing pages were reconfigured to allow more space for video and print style ads. Display advertising was born and MRECs (medium rectangle ad placements) and page takeovers became extra ways to commercialise websites.

Now with the move to tablets and mobile, the screen space has shrunk considerably more, and room for advertising space is limited. But consumers are flocking to mobile for on-demand news and content, and the opportunities for marketing personalisation are considerably higher with the data and geo-targeting available. And that's the conundrum for marketers. They currently only spend 4 per cent of their marketing budgets on mobile. Yet a recent survey saw 35 per cent of marketers think that mobile would account for 50 per cent of their marketing budgets in five years. So what is the advertising model of the future for mobile?

Mobile Advertising

Advertising options should reflect the time spent on mobiles

Unsurprisingly, it's the biggest players that are the first movers into providing options for advertisers wanting to make the most of consumers switching to smartphones and tablets. Facebook says if it was starting its business today, it would be as a mobile company. No wonder, given that one in every five minutes spent on a mobile device is on Facebook's newsfeed. It has introduced video ads and print-style ads to its newsfeed in the last two years, and it now gleans 62 per cent of its ad revenues from mobile. And it is seeing the best results for brands from what it deems "great creative and great targeting".

ESPN recently rebuilt its main Australian video content site for mobile devices first and desktop second. It has stuck to the basic, banner ad at the top of the site and small MRECs within, but the slick video streaming is primed for pre-roll video ads down the track; just as YouTube has delivered consistently for the past couple of years. Spotify announced last month that consumers opting to see a pre-roll video ad would get 30 minutes of ad-free music. McDonald's, Ford, Coca-Cola, Target and Kraft were quick to jump on board. TV show and movie site, Hulu, is running with a similar advertising platform. The mainstream Australian news services are also sticking to banner ads, pop up ads and MRECs for the text heavy sections of their mobile sites, while some have begun experimenting with full screen takeovers. Google announced in early October that it was also providing full screen takeover options for advertisers.

One business trying to outpoint the big guys in providing options to advertisers is South Korean start-up Latte Screen. It has developed an app that controls what appears on the screen after a mobile device is unlocked It can deliver a full screen ad, and if you view and engage with it you earn points which can be redeemed for dollars via Paypal. Advertisers can target consumers this way via age, gender and location.

Twitter has its promoted tweets to drive revenue throughout its feed, and has recently added a buy button option within them. Consumers can now click straight through to purchase that promoted brand's offer with a minimum of fuss. In early September, Home Depot and Burberry became the first advertisers to take advantage of Twitter's new buy button.

Apple's recent launch of the iPhone 6 will only accelerate the consumer shift to mobile devices. And when you overlay the move of the majority of content providers and aggregators to redesign their mobile sites for a better consumer experience, it is inevitable that consumers will spend even more than the current 20 per cent of their time on these devices. Add to that the quantum leaps being made in real-time data analysis, the rapidly expanding mobile advertising options being provided for brands, and the ability for marketers to target consumers with personalised, timely and very relevant advertising is here and now. Yet as marketers approach their 2015 budget cycles, they are only allocating 4 per cent of their budgets to this rapidly growing medium. Those that move swiftly to reallocate their budgets, while delivering engaging and relevant advertising, will have a distinct advantage.

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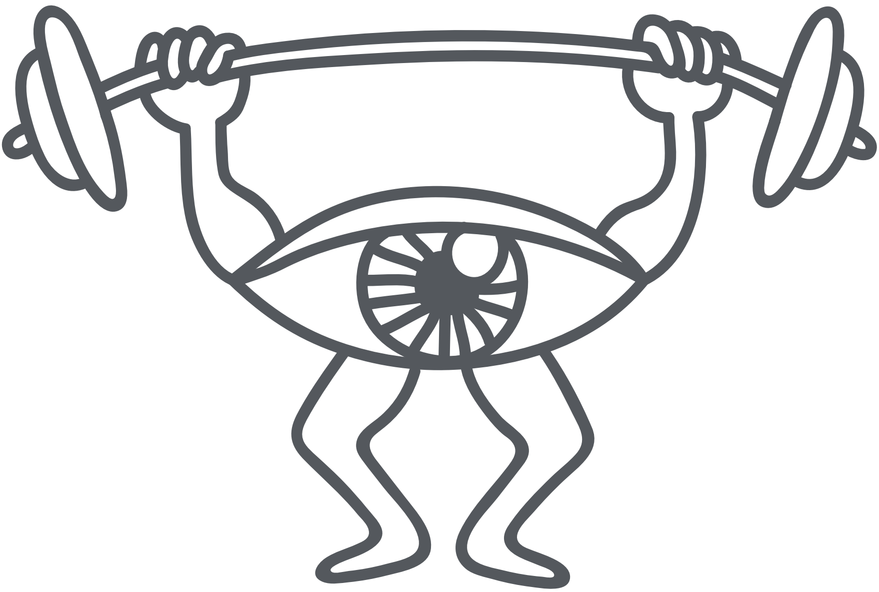
http://www.theaustralian.com.au/business/the-deal-magazine/the-migration-of-consumers-from-desktops-to-mobile-gives-marketers-more-options/story-e6frgabx-1227091237343

Sports Marketing
Toning up our top sports campaigns



The most competitive six weeks of the Australian sports marketing calendar start in October each year.

Racing's spring carnival gallops into action, cricket, basketball, baseball and the A-League launch their seasons, and the AFL and NRL clubs kick off their membership campaigns for the following year. And on top of that, the major sponsors of all of them vie to leverage the dollars they've spent.

After sports marketers had brought us cricket's 'Come on Aussie, Come on' campaign in 1978 and the AFL's 'I'd like to see that' in 1994, the past 20 years have seen few highlights. The famous creative campaigns of the past have been replaced by a formula – rapid cuts of sports action intertwined with the rah-rah cheering of supporters, a big music track, and a warlike tagline at the end. The formula was popular in the 1990s with the TV stations that had paid big bucks to have these sports on their channel, but 20 years later it is the default of lazy sports marketers. The new 2014/15 campaigns for Cricket Australia and the A-League only add to the mundane, well-worn, formulaic path of previous sports like the F1 Grand Prix and tennis' Australian Open.

Compare that to some of the major sponsors of these sports that invest in creativity to get it right. Nike has produced some great campaigns around the recent soccer world cups. Toyota has successfully leveraged its decade-long AFL sponsorship with its famous 'Grand Final Legendary Moments' campaign. And last summer KFC changed their store colours from England's red and white to Australia's green and gold. All compelling campaigns that connected strongly with consumers, and not a sports highlight or music track to be found.

Sports Marketing
Toning up our top sports campaigns

While they might have struggled to invest in quality campaigns to promote their sports, it is clear that their marketers are investing more into their product. More into players, the coaches, the game as a spectacle, and the venues where the consumer experience takes place. And in the AFL and Cricket Australia's case, much like Major League Baseball, more into their own content.

But it's one thing to have a great product, and another thing to promote it. Marketers can't invest heavily in their product and skimp on promoting it. And many of these organisations have fallen into the trap of hoping that the sport's content and newsworthiness will promote itself at little cost; that the owned and earned media can carry the promotional burden. Unfortunately, marketing sport requires an investment across the entire media mix. It needs an investment in paid media and compelling communications to succeed.

One of the shortcuts to feign investment in promoting sports is the age-old contra deal. There is a litany of examples of sports organisations doing a deal with advertising, media or production businesses: "Do our campaign on the cheap for us, and we'll give you a corporate box for the season." Unfortunately, more often than not with cross purposes involved, you get what you pay for. It's a mindset within sport that needs to change.

There are some great examples of those that are investing, both in Australia and overseas. NASCAR has a strong history of promoting its sport well and differently. Its last two campaigns have drivers front and centre aiming to attract the next generation of fans, focusing on their personalities and inner thoughts instead of the cars, fans or racetracks.

BBC ran a campaign two years back for the rugby Six Nations tournament. It tapped into the patriotic side of the game, with supporters from five of the nations putting up England as the team they'd like to see lose the tournament. It was quickly banned by the oversensitive types, but made a comeback virally two years later prior to the 2014 tournament.

Closer to home, the Australian Baseball League's Melbourne Aces ran a campaign last season showcasing their players' different skills in other ball sports. The TV spot showing one of their players pitching in a ten-pin bowling alley went viral around the globe, with ESPN's USA Sport Central giving it their play of the week. It drove membership sales up by 20 per cent. And in launching their 2015 membership drive recently, bottom-of-the ladder AFL side St Kilda created a very different campaign promoting the re-signing of 19 of its best young players over the first 19 days of September. Targeted specifically at Saints fans, it was a campaign to reiterate the future of the club and why their supporters should become members in 2015.

All of these campaigns are a great reminder of the basics behind all successful communications – a single-minded idea executed well. A compelling campaign that stands up against the best communications in any category, not just within the category you play in. A calculated risk to do something different as opposed to the safe option of doing more of the same. And an investment in creativity to transform and promote the brand.

As top-level sport has become a business over the last 20 years, the investment in those sports' products has certainly outweighed the investment in promoting it. Those sports organisations that find a better balance over the next decade will be the ones that succeed.

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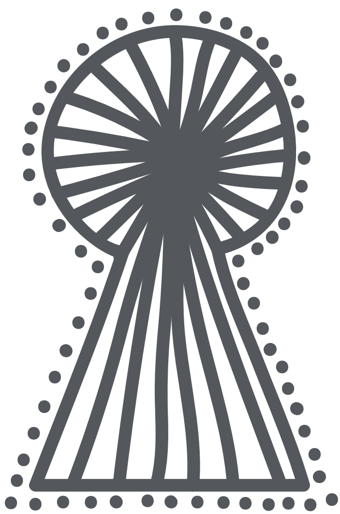
http://www.theaustralian.com.au/business/the-deal-magazine/sports-marketers-need-to-break-the-formula-and-get-us-excited-again/story-e6frgabx-1227127984279

Chapter 21

Silicon Valley

Inside the headquarters of Twitter, Facebook, and LinkedIn – A journey to Silicon Valley



The ad industry folk are tough to impress. The longer they've been in the industry, the more cynical they are. So when 11 of the best from across Australia, NZ and Asia jump on a plane to San Francisco on a fact-finding mission, the expectations are varied. Fast forward five days, after visits to Twitter, LinkedIn, Facebook, Google and YouTube, and the cynics are now like kids in a candy store, pleading for more.

But it's not the technology or funky workspaces that have impressed. It's been the companies themselves. Without fail, each of the businesses has had a clarity in their vision, their goals, their competitive advantage, their values and their culture. And strong leadership to drive and deliver it.

Jeff Wiener, LinkedIn's CEO, epitomised this. Sitting on a chair in the middle of the room, with no notes and an almost Australian-like down-to-earth manner, he reeled off their vision (to provide economic opportunity for every member of the global workforce) and their values and culture. Not only was it clear, simple and easy to understand, they lived it every day. Their processes and infrastructure. The way they hired. The way they on-boarded their team and then developed and measured their team's performance against it. No corporate gobbledygook, just things that made common sense. It's clear that Jeff Wiener and LinkedIn are happy in their own skin, and march to their own drum. "You beat the competition by beating yourself".

Each of the companies is also clear that their data is their competitive advantage. In Australia, 80 per cent of all professionals, 4.7 million people, are on LinkedIn. Combine this data with offline data that's available, and it's the greatest source of data around business people in the country. You can now place ads to very specific targets with minimal wastage.

Or on a mass reach, double the people are accessing LinkedIn's personalised content page every day, than are reading Fairfax's business sections in Sydney and Melbourne. LinkedIn knows that the ability for businesses to access this data as they approach their B2B marketing, is a game-changer.

Likewise, Twitter understands the magic of its data in relation to modern-day television viewing. Sixty-four per cent of Americans are on Twitter while watching TV. They understand the different patterns of customer engagement for the different genres of shows, and therefore when brands should continue the conversation, or deliver a timely ad.

Facebook has 7.3 millions Australians actively using the platform every day on their mobile devices. And they check it on average 14 times per day. Facebook knows whether you're on an Android or Apple device, where you are, your demographics and what you're interested in and what you have just done. They can match this information with brands' customer data with complete privacy. For acquisition and retention strategies, this makes Facebook hard to ignore for marketers.

YouTube has four billion views a day, one billion of which are on mobile devices. Each view builds on the profile of that person, adding to the channels they subscribe to and previous videos they have watched, as well as the information gathered by YouTube's owner, Google. It means brands can use this data to very specifically target an audience to advertise to, again with minimal wastage. In fact with their Trueview product, brands only pay when a consumer watches the whole ad.

As a company, YouTube is striving for a win, win, win. A win for the content creator – YouTube provide the platform, the content creator the inspiration. A win for the viewer – YouTube helps the viewer find the channels they love. A win for the advertiser, who can reach the perfectly targeted audience they want. And they're determined, dogmatic even, in constantly striving to make each of these three areas better. YouTube want to be the cable TV of the future. In fact, they want to be the source of all video content.

Their parents at Google are also crystal clear in their vision – to organise the world's information and make it universally accessible. To move from a search company to a knowledge company. To have their senior team thrive on a culture that includes continual innovation; where great just isn't good enough. Where they want to unearth their next $1 billion business.

Each of these Silicon Valley icons has taught us that it's critical to have and live your vision, goal, competitive advantage, values and culture. And to be restless. To be hell-bent on figuring out the future. To not be the next Blackberry.

As Andy McKeon, the laconic Australian who's seen what success looks like at some of the great global ad agencies, told us in his current role as Global Customer Marketing Lead at Facebook, "These are companies run by people on a mission".

Originally published in SmartCompany, 15 November 2013.
http://www.smartcompany.com.au/finance/34578-inside-the-headquarters-of-twitter-facebook-and-linkedin-a-journey-to-silicon-valley.html

Conclusion

The marketing world is, and always will be, an ever-evolving space. It's an industry with customers' needs at its centre, and as these needs evolve, so too must our marketing. It's also an industry more reliant on technology than ever before, and technology that is going through a rapid evolution, if not a revolution. This means there has been more change in marketing and communications in the last five years than there has been in the 50 years preceding it. And there's no sign of it slowing down.

The better CEOs, CMOs and CIOs are using their curiosity and competitiveness to keep up with this transformation. The great ones are embracing it, and delivering results for their companies and brands. Those that are not, are falling behind.

A 2013 study of four sectors of the Australian economy by IBM showed that those companies that are leaders in digital and technology will outperform those following, tripling their market capitalisation over their competitors by 2025. It's not a nice 'to do', it's a 'must do'.

Hopefully this series of articles may begin to answer many of the common questions that the C-Suite has around this ever evolving marketing and communications world. They should also act as a reminder that the most successful marketers are emphatically embracing change, and are hell-bent on figuring out the future.

Illustrations tinanded.com.au