

Q1 2012 | Digital Marketing Outlook







Thanks for taking the time to explore the 2012 edition of The SoDA Report. Every year for the last four years, the Society of Digital Agencies has produced this report, formerly known as the Digital Marketing Outlook, and I'm proud to say that this year, our fourth report is the best ever. With the help of some of the most influential thinkers in the digital marketing world, I'm sure you will get great value from this fascinating compilation of perspectives and insights about the year ahead.



I'm also excited to announce that we have decided that The SoDA Report will be published quarterly this year and also available in tablet format. This will bring to the industry the opportunity to hear a much wider variety of brand and agency voices as the year unfolds.

For those of you new to SoDA, the Society of Digital Agencies was created five years ago to advance our industry through best practices, education and advocacy. Our membership is made up of some of the most celebrated digital agencies and production companies in the world; all of which have met the rigorous standards of SoDA membership. Today we have members on five continents in 24 countries. We are also rapidly growing our membership to include the best companies in niche areas like UX, social and analytics.

At the same time, over the last year our amazing Peer Collaboration Group program has blossomed to 350 members across 12 disciplines. This is the first initiative of its kind in our industry and is creating incredibly valuable global communities of digital specialists who are sharing their knowledge and experience with each another.

SoDA is an organization of digital pioneers from all over the world who help each other every day, sharing their knowledge, insights and friendship. But our work would not be possible without our founding organizational sponsor Adobe, and our members and friends, who give so much of their time with no motive other than helping their fellow digital travelers.

Best Wishes,

Tony Quin SoDA Board Chair and CEO of IQ

[*Note*: To view video introduction from SoDA's Board Chairman, click <u>here</u>]



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Editor-in-Chief of The SoDA Report, Founder & Chief Innovation Officer of Agent Innovateur Inc.

Angèle is founder and Chief Innovation Officer of Agent Innovateur Inc., a new type of agency focused on creating better products, experiences and technologies for the digital consumer. She is currently incubating two social enterprises and pioneering an applied innovation graduate PhD program at the University of British Columbia (UBC). A "tradigital" marketer, Angele has spent over 20 years in both traditional and digital marketing communications, most recently working closely with Fortune 500 brands and leading Dare North America's strategy and innovation group and Dare Labs.

#### **Steve Glauberman** Chairman of The SoDA Report, CEO of Enlighten

Steve Glauberman founded Enlighten in 1983 as one of the nation's first interactive agencies with a vision for how technology could be used to help companies market their products more effectively. Under Steve's leadership, Enlighten quickly established a sterling reputation for creating work that was visually stunning, technically powerful, and conceptually groundbreaking. To this day, Enlighten remains committed to creating integrated brand experiences that forge meaningful relationships with consumers by offering a wide range of digital services all within an independent agency. Steve is a graduate in Computer Science from the University of Michigan.



#### **Chris Buettner** Managing Editor of The SoDA Report, SoDA Director of Operations

After a career on the digital agency and publisher side that spanned 15+ years, Chris Buettner now serves as Managing Editor of The SoDA Report. He is also the Director of Operations at SoDA where he is charged with developing and executing the organization's overall strategic vision and growth plan. And with roots in journalism, education and the international non-profit world, the transition to lead SoDA has been a welcome opportunity to combine many of his talents and passions. After living in Brazil and Colombia for years, Chris is also fluent in Spanish and Portuguese and is an enthusiastic supporter of SoDA's initiatives to increase its footprint in Latin America and around the world.









### **Editorial Team**

#### Shawn Clarke

General Manager, Domani Studios

Shawn Clarke currently serves as the General Manager of Domani Studios. With over 14 years of experience in IT and web development, Shawn leads teams building rich Internet applications across computer, mobile and out-ofhome platforms. Shawn is trained as a musician and is passionate about using technology to enhance communication and shared experiences.



#### Guthrie Dolin Principal, VP, Director of Brand Strategy, Odopod

Guthrie Dolin is a seasoned creative executive and serial entrepreneur. He's a Principal and Director of Brand and Strategy at Odopod, a San Franciscobased digital innovation company whose clients include Sony, Coca-Cola, Tesla Motors and Google. Prior, Guthrie worked with IDEO to develop and launch new brands. He also founded Department 3, an award-winning agency whose clients included Apple, Microsoft and Nike. Guthrie sits on several boards and lectures at top universities including the Institute of Design at Stanford (the d.School) and California College of the Arts (CCA).



#### Ragan Kellams Director, Human Resources, IQ

Ragan is passionate about perfecting the art of the connection—whether connecting a job seeker to an employer, or connecting with contacts across the globe through the evolving web. At IQ, Ragan has spent the past six years recruiting the best talent in the industry. Her ability to leverage social media strategies and emerging technologies has proved to be an invaluable asset as an executive recruiter and HR professional. She is a frequent speaker at universities and design schools, and sits on the Georgia Tech HCI Masters Program advisory board.



#### Sven Larsen Chief Marketing Officer, Zemoga

Sven Larsen is an award-winning Digital Media executive with over 20 years worth of experience building brands and creating content for a diverse array of companies, including Marvel Entertainment, Time Warner, Penguin Pearson, the *Financial Times*, the *Economist*, Cracked.com and Teshkeel Media. He's also a hockey-loving, comic-book-reading, Apple-worshipping communications and technology geek who is always getting excited about what comes next. He lives with his wife Monica in Park Slope, Brooklyn, and to date has composed over 100 songs about their dog Gia.



#### **Philip Rackin**

Director of Strategy, Magnani Caruso Dutton

As Director of Strategy at MCD Partners, Philip Rackin helps companies such as Samsung, E\*TRADE, Discover Financial, and Genworth identify and develop opportunities to grow their businesses with emerging technologies. Over the past 15 years, he's developed dozens of marketing programs, and digital products for consumer and B2B clients, including Comcast, Consumer Reports, The Port Authority of NY and NJ, Computer Associates, NARS Cosmetics, Johnnie Walker Scotch Whisky, and the University of Pennsylvania School of Design.



#### Irina Sheveleva Editor, GRAPE

Irina graduated from the School of Philology at Moscow State University and entered the media market as a reporter for Adindustry Magazine. She later became Editor-in-Chief of a corresponding website. As Editor at GRAPE, Irina runs the agency's digital media trends team and oversees its trends newsletter and social platforms.

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### FOREWORD

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### **Editor's Note**



2012 is expected to be a year of significant and transformative global change.

Not only is it the expiration date of the Mayan Calendar (marking the closing of one world and passage into a new world), it is the year of the Dragon in the Chinese zodiac, symbolizing powerful change. And most importantly for the digital marketing industry, it is predicted to be the year we celebrate a major advance in digital literacy.

With today's consumer questioning old habits, old products and old brands as never before—and seeking more meaningful innovation—for marketing agencies and brands, the age of transformation is upon us.

Welcome to **The SoDA Report: 2012**—the Society of Digital Agencies' outlook on digital marketing. This year's publication has a new look and format. Inside you will find a fresh set of references, interviews, and a portfolio of case studies for understanding and navigating the challenges and opportunities in this era of transformation.

Our survey results reveal interesting insights from top Fortune 200 executives and agency influencers on where our industry is heading and where it's not. Our editorial team and contributors expose transformational business models for agencies; highlight modern marketers and their tips for success; provide lessons on how to be consumer-centric; discuss converting data into intelligence; share how companies are creating cultures that retain the best digital marketing talent; and explore 2011's most disruptive technologies while protecting them from trolls.

We close by bidding farewell to 2011's poor performers nearing their digital grave.

We hope this report stimulates thinking and provokes discussion around your water cooler. We also encourage you to start a dialogue with us and to discuss the issues set out in this report at <u>www.sodaspeaks.com</u>

Enjoy.

Angèle Beausoleil, Editor-in-Chief (The SoDA Report)

Angèle is founder of Agent Innovateur Inc., a new type of agency focused on creating better products, experiences and technologies for the digital consumer. She is currently incubating two social enterprises, pioneering an applied innovation graduate PhD program at the University of British Columbia (UBC) and is the editor-in-chief of The SoDA Report.

### Section One

# Key Survey Findings

### SODA REPORT

### P 10 SoDA's Digital Marketing Outlook Survey: 2012

SoDA's **Digital Outlook Marketing Survey** results are in. The findings provide evidence on the conservative yet steady growth of digital marketing spend, including social media activities and explosive growth of inbound marketing—suggesting ongoing agency relationship changes and increased demand for digital talent.

Conducted by Econsultancy, SoDA's Digital Outlook Marketing Survey had 651 respondents. 53% of those participants were marketers representing corporate brands (25%), consumer brands (30%) and other related industries (45%). The remaining 47% were creative service leaders from traditional agencies (23%), digital agencies (64%) and production companies (13%).

Over 76% of respondents were key decision makers and influencers (CMOs, senior executives, VPs and directors) with annual marketing budgets ranging from under US\$1M to over US\$100 (<760K  $\in$  to > 760M  $\in$ \*) and whose key markets are North America (57%), Europe (19%) and APAC (11%).

\* As of January 30, 2012

#### ABOUT ECONSULTANCY



Econsultancy is a community where the world's digital marketing and ecommerce professionals meet to sharpen their strategy, source suppliers, get quick answers, compare notes, help each other out and discover how to do everything better online. Founded in 1999, Econsultancy has grown to become the leading source of independent advice and insight on digital marketing and ecommerce. Econsultancy's reports, events, online resources and training programs help its 110,000+ members make better decisions, build business cases, find the best suppliers, look smart in meetings and accelerate their careers. For more information, go to http://econsultancy.com/

### SoDA's Digital Marketing Outlook Survey: 2012

### **2012 MARKETING BUDGET TRENDS**

### **Conservative Climbers**

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Digital marketing spends continue to move slowly yet steadily



For smaller companies that have moved much of their marketing spend online, it can be hard to remember that at the other end of the spectrum, some of the largest companies in the world are spending less than 10% of their budgets on digital channels.

At this stage, we don't see big shifts, but a steady move online. The growing digital budgets result from the cannibalization of traditional channels—print and direct mail most drastically.

Q. What percentage of your overall marketing budget was invested in digital channels in 2011 vs 2012?

### **Dollars and Cents**

Budgets to shift from traditional to digital, but at a fraction of the traditional spend



Monies continue to be shifted from traditional, expensive tactics toward digital especially earned media though it's rarely a one-to-one exchange. More often, a dollar or euro lost from TV and print budgets becomes 20 cents of digital.

While only 22% of client marketers are forecasting increases in traditional media spends in 2012, 50% projected an increase in paid digital media and two thirds say they expect to increase earned digital media efforts this year.



Q. What percentage of your overall marketing budget was invested in digital channels in 2011 vs 2012?

### P 12 SoDA's Digital Marketing Outlook Survey: 2012

### **2012 MEDIA TRENDS**

Digital marketers ranked their priorities between paid, owned and earned media and then indicated their focus within each category

### Earned Media is King

Word of Mouth (WOM) and publishing content into free channels climb to the top



**Q.** Where do you anticipate focusing your Earned Media digital marketing efforts in the coming 1-2 years?

#### Owned Media is Queen Natural search and social brand

platforms are major priorities



**Q.** Where do you anticipate focusing your Owned Media digital marketing efforts in the coming 1-2 years?

The "build it and they will come" adage no longer applies. With marketers continuing to make major investments in brand sites, social platforms and branded content in 2012, facilitating the discovery of that content via search efforts and establishing a responsive, consumer-centric approach in the social realm have become increasingly important priorities.

### Paid Media becomes Jester Branded video content and sponsorships show strong growth



Brands plan on turning to more compelling tactics for storytelling, such as integrated sponsorships, branded content and the sight, sound and motion of video. Interest in web display, mobile banners and in-game ads has declined.

**Q.** Where do you anticipate focusing your Paid Media digital marketing efforts in the coming 1-2 years?



### P 13 SoDA's Digital Marketing Outlook Survey: 2012

### **2012 INDUSTRY TRENDS**

**Corporate Empire Strikes Back** Brands are quickly shifting their efforts towards building internal resources and diversifying their agency ecosystems



Increased selfreliance is becoming a common mantra for many marketers, with almost twothirds citing internal resource growth as their primary approach to expanding digital marketing efforts. For those looking outward, almost one-third said they're seeking to diversify their agency mix based on niche areas of expertise (vs. pursuing a "one-stop shop" digital partner).

**Q.** What is your organization's approach to expanding digital marketing / communication initiatives? (Select all that apply)



### P 14 SoDA's Digital Marketing Outlook Survey: 2012

### **2012 INDUSTRY TRENDS**

### **Digital Talent Wanted**

Inbound marketing growth drives need for digital communication skills

- Increased priority for 2012
- Ongoing priority in 2012 (no change)
- Reduced priority for 2012



Q. Which of the following digital marketing skill sets, if any, are important to your organization?

The need for strong writers remains at the top of the skill set priority list in order to generate a constant flow of quality content that engages consumers. Digital brand management is also a growth area as programs aimed at sparking earned media and PR become an increasingly important part of the marketing mix.



## Section Two Industry Insider

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SODA REPORT

### ARTICLE

INDUSTRY INSIDER

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### The Ongoing Agency Evolution



By: Guthrie Dolin, Principal, VP, Director of Brand Strategy, Odopod



Guthrie Dolin is a seasoned creative executive and serial entrepreneur. He's a Principal and Director of Brand and Strategy at Odopod, a San Francisco-based digital innovation company whose clients include Sony, Coca-Cola, Tesla Motors and Google. The ongoing agency evolution is inextricably linked to an evolving and complex digital landscape—one that includes constant technological innovations, emerging consumer behaviors and the volatile economic climate in which they operate. With all these moving parts, it's no wonder that many agencies are experimenting with new growth strategies and looking for opportunities to carve out an offering that's both unique as well as timely for the brands in their portfolio.

### Exploring the Adjacent Possible

The ever-shifting landscape continues to introduce new opportunities, areas of focus and business models to evaluate. These opportunities present choices, each of which can suggest a divergent direction. The decisions an agency makes about these prospective futures will have real and tangible repercussions. It will likely require unique processes, structure, talent-mix and even something as fundamental as company culture.

However, a successful agency offering should always maintain a clear and purposeful vision. Below are a few of the competing directions agencies are debating—obviously the paths they choose have a tremendous effect on whether they are the right fit for a business or a brand.

### Full-service vs. Innovation Focus

Agencies often banter around the idea of a 360° offering for brands. But in an age where services are constantly expanding and bleed from one type of agency to the next, where does "full-service" truly start and stop? Additionally, this path has the tendency to create a reactive environment in which big picture thinking and more innovative ideas struggle to thrive. Other agencies are focusing on delivering digital innovation. But, unless they're just paying the word lip service (by definition innovation is disruptive), such a focus requires that the agency challenge the status quo for brands. It also requires that they manage the often uncomfortable process that a successful outcome requires.

### AOR (Agency of Record) vs. AOI (Agency of Influence)

An AOR is a little like a "general contractor." It manages a big pool of money and along with it the responsibility of managing a vast swath of projects, subcontractors, and—quite frankly—highly commoditized work. The price pressures that come with "buying in bulk" often require AORs to employee offshore production teams and/or lower-level talent.

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In order to stay relevant, most agencies are in a perpetual state of adjustment and realignment. Alternatively, other agencies prefer to be the "general counsel" (or consigliore) by focusing on the most business critical (and most influential) projects. While there is less overall work, the highly strategic nature and senior level talent required to deliver on initiatives and visibility with C-level stakeholders means hourly fees can increase substantially.

### Marketing Communications vs. Products and Services

Simply put, there are agencies focused on "making the thing", and others focused on "marketing the thing"—and more and more, on both.

In recent years, we've seen a great deal of overlap in the digital space when it comes to marketing and products. Today, marketers require that their campaigns continue to live on, acting as an open channel between the brand and its audience. Often this means building an application or creating a new service. Simultaneously, companies are striving to deliver products and services that are imbued with emotive benefits—that tell a story beyond their core utility.

Given that, it is possible this is less of a choice, and more of a question of philosophic approach. Don't they say the best marketing strategy is to make a great product? Just ask our friends at Apple.

### Up and to the Right

A common sentiment shared by many agency principals is their desire to move up the ladder of influence with their client-partners. But of course, this progression requires strategic services that deliver clear value to their client's business.



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Some of the most successful agencies embrace a "beta culture"—where they are always experimenting, prototyping and placing small bets to learn and build on what's working. One lens to determine where any agency falls along this continuum is to examine what their clients are asking them to do—and how they are responding to those requests.

### A Process of Continual Improvement

The landscape will continue to evolve, so, in order to stay relevant and thrive, most agencies are in a perpetual state of adjustment and realignment. I'd say that any agency that professes to have the perfect offering is lying, or delusional.

In fact, some of the most successful agencies embrace a "beta culture"—where they are always experimenting, prototyping and placing small bets to learn and build on what's working—both for their client's needs as well as their own bottom line. Not a bad approach, as long as in the absence of certainty, they maintain clarity of purpose.

### ARTICLE

INDUSTRY INSIDER

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### Crafting Agency Ecosystems that Work



By: Jessica Pezzullo, Sr. Partner, Digital Practice Lead, SelectResources International

Select Resources

Businesses are getting smarter in terms of how they interact with their agency partners. Why? Because evolving customer behaviors fueled by the digital revolution have transformed the marketing universe. This new paradigm of customer-business interaction has forced brands to new levels of self-examination and, sometimes, innovation. This, in turn, has changed the ways businesses work with their advertising partners.

Jessica has a passion for helping clients solve their business and marketing problems; she is a natural consultant, calling on her experience as both a client and agency consultant across some of the best bluechip brands, including Hearst, Ogilvy, Saks Fifth Avenue, ATT, LG and American Express. She adores the work she gets to do crafting agency models, and delving into digital innovations in her role as Digital Practice Lead for SelectResources Intl. In 2004, Jessica traded in her New York City lifestyle for sunny lifestyle of Los Angeles.

Increased communication with consumers has forced marketers to be smarter and more responsive on all levels. In the past when a company felt that it wasn't being served to its optimum benefit, it would simply switch agencies. The good news: Increasingly clients want to examine the way they organize their external resources, and to identify the right agency model to deliver the right work, before disrupting their external advertising resources. As these clients adapt their approach, agencies need to understand how they are viewed within a client's universe—especially digital specialists—who will rarely be the "only" agency partner to a company or brand. Agencies large and small should see this as an opportunity to have a deeper partnership and do better work.

Here are some of the topics clients are thinking about:

### Agency models

Sometimes called portfolio management and deployment, companies are looking at their partners on a deeper level than ever before, in part because they know that agencies are integral to their ability to market successfully. Procurement, internal agency relationship managers, and consultants like myself, contribute actively in this area, helping to identify and optimize the unique array of resources that is just right for a particular company, with enough "flex" in the system to evolve with the fast-changing marketplace. Often these internal "coaches" advocate for improved adherence to relationship best practices.

In the interest of improving their relationship with their partners, clients will ask:

- 1. Are we using our agencies the right way?
- 2. Have we defined the most accurate and clear scope of work?
- **3.** Have we correctly balanced consolidation and healthy competition among our partners?
- 4. What specific work should I be asking my agencies to deliver?
- **5.** What type of partner is best suited to help articulate a clear path for customer interaction and create value for our particular business?

Sophisticated corporate marketers know that it's not enough to switch or add an agency partner. They need to unearth and eliminate outdated habits and false internal assumptions about how they should work with external agencies. Sophisticated corporate marketers know that it's not enough to switch or add an agency partner. They need to unearth and eliminate outdated habits and false internal assumptions about how they should work with external agencies.

### Getting the assignment right

One company wanted to fire its agency, but knew there was some client responsibility for the failed "marriage." So it looked carefully, with some outside help, at what was contributing to the problem. The key lay in the lack of definition of all marketing activities (both internal and external). By sorting and specifying the purpose and benefit of each activity, and then grouping them, the client was better able to define appropriate assignments for not just its main agency, but all internal marketing teams and other external partners across its portfolio. For good measure, it also reinvented its project activation process. The agency retained the account and made some changes on its end to support these innovations.

### Spontaneous cooperation

In another example, a global B2B conglomerate had multiple marketing teams, each reporting to autonomous business owners controlling their individual P&Ls. The limited marketing team at the corporate level had no authority over these support teams—only the ability to positively influence best practices. This is a common quandary for the modern CMO. However, recent economic factors were pressing on results, and the individual teams had learned empirically that the old Benjamin Franklin adage "We must all hang together, or assuredly we shall all hang separately" was painfully true for each of them.

The corporate marketing team and the support teams collaborated on a comprehensive assessment of their current partners and their assignments. They then commissioned an exploratory of potential consolidated agency models, to identify the potential gains by pooling their resources and even some of their efforts. The company is now in the process of finalizing new consolidated assignments and will identify new agency partners to help deliver value across the organization, as well as to the vertical constituencies.

The thrilling aspect of this reexamination is the potential unleashed with just a few small shifts. For a client's agencies, these changes often represent permission to think in a more expansive and pure way about what opportunities a client should really pursue.

The agency should also take a sober look inward to assess what its real contribution is to the total client business. Clients certainly are. In some instances, an agency ecosystem of highly specialized agencies can work well in concert to achieve a brand's overall marketing goals, while in others such a paradigm can serve as a significant obstacle to client evolution. Like the client who gave multiple creative partners permission to think digital for better integrated creative executions, and then eliminated its digital specialist agency relationship. The small digital shop folded with the loss, but the client was able to help place key players whom they held in high esteem at other agencies within its partner ecosystem.

Such situations vary significantly from one brand to another and from one agency ecosystem to another. However, clients and agencies alike should (and are) becoming more adept at analyzing these scenarios in order to support the organizational innovations needed to drive their digital marketing efforts forward.



#### Survey Says...

See how senior-level marketers plan to advance their digital marketing efforts in 2012 (i.e., increasing internal resources, consolidating agencies and/or diversifying agency mix based on niche expertise).

### ARTICLE

INDUSTRY INSIDER

### **Trends as Personas**



At Big Spaceship, we approach experience planning from multiple angles to create the best results for our clients. Rather than immediately jumping to tactical fixes or template solutions, we take a step back and examine the situation from four core angles: 1) the business problem or opportunity, 2) the brand's value and meaning in people's lives, 3) the consumer behaviors and desires that we can address, and 4) the cultural context in which a particular experience will exist.

### **BIG SPACESHIP**<sup>™</sup>



By: Josh Teixeira (Director of Strategy), Chris Matthews (Strategist), Johnny Ridley (Strategy Intern), Big Spaceship Cultural context is particularly rich territory, because here we can identify and tap into the emotional resonance that brands, products, services and experiences can create. When establishing cultural context, an examination of trends is critical.

By definition, a trend is a form of behavior that develops among a large population and is collectively followed with enthusiasm for some period, generally as a result of the behavior being perceived as novel. Trends shape the currents of adoption and influence that make or break an idea. They crave emotional investment on a level that arguably surpasses ours as human beings. Their long-term survival and success is very much dependent on loyalty, loyalty which is fostered by the emotional investment that bonds consumers to products or experiences or brands.

The difficulty in dissecting a trend is identifying and understanding the emotional connection it has with consumers. As marketers, we need to uncover the underlying traits of a behavioral trend and view trends as an act of rational behavior, emotive output or functional need, all while understanding their point of depreciation over time.

When we look at the lifespan of a trend, the collective surge of interest upon a common object or experience, we aim to break apart the kinds of consumers who fall into and drive the trend cycle. This profiling provides us insight into key personalities that stimulate trend adoption and help marketers act accordingly to best tap into their common fields of emotional commitment.

We have identified what we believe are five key levels of consumer within a trend's lifetime. By analyzing their personas we can then create experiences that matter, or at the very least make sense, to the right audience at the right time.

### Level 01: The No-Trend Trend Victim

This group goes about its business without concept of trend. Purchases are often driven by necessity, price point or utilitarian appeal, made without thought as to what's currently "cool." Those at Level 1 will not consciously embrace new trends, nor will they actively seek them out, instead they remain aggressively rooted to familiar objects and brands.

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As marketers. we need to uncover the underlying traits of a behavioral trend and view trends as an act of rational behavior. emotive output or functional need, all while understanding their point of depreciation over time.

The relationship between this kind of consumer and prized, personal artifacts is highly sought after by brands, one of such loyalty that brands fervently wish to replicate. This group, more so than others listed, will display significant emotional investment toward their objects.

Unaware of their trendiness, they demonstrate a level of steadfast independence, which in turn acts as a prime catalyst to promote the trend they've inadvertently helped nurture.

See: Your mechanic wearing Dickies.

### Level 02: The Gatekeeper

Gatekeepers actively search for things they like and find interest in. They apply value to items they feel represent their beliefs and personality. A conscious effort is made to accurately curate their own "Brand Me" by making what they consider to be informed decisions. Such decisions, i.e. acceptance of trend, will follow proactive research and observation.

People in this group feel empowered by knowledge and use their understanding of trend as social leverage over those noted in other levels. They believe they are one step ahead of the public, appreciating a trend before it becomes a trend, considering it an evolution, not a permanent choice, in their own lifestyle.

See: Fancy men interested in workwear garments like Dunderdon or Carhartt.

#### Level 03: The Fronter

Fronters adopt a trend because they are attuned to their surroundings and notice that a new thing is happening. Though they may not actively seek new trends, they are open to change and make an effort to be part of those trends they see as favorable or as "saying something" about who they are.

Level 03 likely consider themselves Level 01 or 02, but such confidence would be misplaced.

See: A Twitter user beginning to include hashtags within their tweets to help set tone and/or apply subtext to their message.

#### Level 04: The Masses

The masses' actions help form a series of widely accepted and often incorrect stereotypes based on the original trend. By the time it reaches them, a trend can be subject to dilution from source. Trends are skewed and repackaged to become more accessible. Typically, such revisions devalue a trend. However, this group does not posses an awareness or mentality capable of challenging amendments to key trend values.

Context helps this group embrace a trend. If it arrives via a common, "safe" place, they will accept it and consume. They consume because a trend is visible, not because they understand it or fully appreciate it. When Level 04 hits, Level 02 starts to back off, and Level 03 starts to push harder to signify their belief that they are still original in their choices.

See: New Twitter users hashtagging words of personal significance within a tweet, done without an understanding of the hashtag's relevance within the platform.

Trends are eventually skewed and repackaged to become more accessible. Typically, such revisions devalue a trend.

#### Level 05: The Grim Reapers

The people who always made fun of Level 01, didn't listen to Level 02, and silently paid attention to Levels 03 and 04. They of all groups lack a definitive sense of identity, therefore picking up what they believe is the most "current" trend, momentarily feeling empowered by what they deem to be a forward-thinking decision.

Such a lack of personal branding makes this group more herd-like. More so than the masses noted at Level 04, they essentially pick up the scraps of a trend and their acceptance of it signifies its finality. Such late adoption means people in Level 05 experience the biggest backlash in regards to stereotype. They adopt the trend because by the time they see it, it has taken over all common purchase avenues, not because they invest time in formulating a decision as to whether it's truly for them.

When Levels 04 and 05 begin to grasp a trend, the Gatekeepers (Level 02) respond swiftly, directly motivated by the late adopters. Their newfound attraction to the trend will effectively devalue the consumer-to-brand relationship Level 02 once had. Upon realization that the social ownership of trend has shifted, the Gatekeepers will actively detach themselves from it. Their emotional investment was based around development of their personal brand and the trend was a key factor in defining their person both aesthetically and intellectually. It is at this point that the cycle renews, with Gatekeepers beginning to curate anew, both consciously and unconsciously.

See: Users including hashtags across platforms where they have no relevance or function. For example, users introducing hashtags to Facebook updates or text messages.

Trend adoption is merely one way of examining and assessing emotional need states in target audiences. But, it is particularly valuable for creating experiences that resonate with millennials and other groups whose attitudes towards marketing are shaped by their attitudes towards identity and self-expression. It is by tapping into this emotional resonance that the most meaningful experiences can be crafted.

### OPINION

INDUSTRY INSIDER

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### Plan for Humans, Not Platforms



By: Jesse Brightman, Strategist, AgencyNet



Jesse Brightman is an Inspiration Director at AgencyNet, a digital marketing agency with offices in New York and South Florida. Strategy always begins with the user. Period. Platforms and technology are not changing what consumers do; they are changing how they do it.

The role of Digital Strategist has given birth to other roles like Mobile Strategist and Social Strategist. Though these titles show evidence of marketers putting more focus and resources towards emerging platforms and technology, this siloing of roles may be doing more harm when it comes to crafting a user-centric strategy. As the people in charge of mapping out digital ecosystems have become more spread out, marketers have evolved, and have put extraordinary emphasis on the tools that are available – not the people using them.

How do we gravitate towards something more all encompassing like a human strategy? Does it begin with eliminating departmentalized titles, or is this more of an academic practice to sit back and observe? I would start by saying that it is a bit of both. It is time to focus on a few fundamental elements in order to develop consumer-centric ecosystems.

First, scrap the media-specific job titles and break down the silos. They only build up walls that need to be broken down.

Next, understand the ins and outs of the behaviors of your audience. Learn how they share, consume and interact with media. Explore how they go through the purchase decision process and decide if there are ways for mobile, social, or emerging platforms to help them accomplish what they're already doing. Capitalize on human behavior and choices, for they will remain the most static components of any marketing campaign regardless of any changes in the emerging media environment. What matters when you are buying a cup of coffee four years from now—whether you are paying with cash, a mobile device or an NFC chip embedded in your thumb—will not change. Only the technical means by which you purchase will change.

Once behavior is mastered, then it is time to look at how each media platform functions in a given ecosystem. Consumers act as the pulse that keeps the brand engine pumping as they migrate from TV, to print, to digital and mobile platforms. Each platform should serve its own purpose from the other platforms. Though it is independent, it must be related and connected to the other platforms, allowing the user to transition seamlessly.

Planning for behavior promotes action and interest. Let's move toward a consumer strategy and begin taking steps toward a mutually beneficial, value-providing relationship, regardless of the media vehicle.

Consumers act as the pulse that keeps the brand engine pumping as they migrate from TV, to print, to digital and mobile platforms.

### OPINION

INDUSTRY INSIDER

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### Why the Hybrid Agency Exists



By: Jon Lewis, Director of Marketing, Terralever



TERRALEVER

As Director of Marketing at Terralever, Jon Lewis combines his passion for technology, connection, and strategy to create the brand strategy for Terralever. A published author who has written eight novels, his unique marketing strategy for book promotion has been featured in Publisher's Weekly.

You're stuck. You've had a decent run with a traditional agency. They get your brand, your print campaigns look nice and your television spots seem to get traction. But you're not getting the kind of results that you'd like to see online.

Or maybe you decided to work with a digital specialist. An agency that manages your digital ecosystem. They built you a website, manage your social media and told you that you'd be at the top of every Google search. But your analytics are flat, your Facebook engagement rates are trending the wrong way, and nobody's tweeting about your products.

So, now what?

### Strengths and Weaknesses

Traditional agencies can give you the big idea—the campaign pitch that will blow you away. And they have the creative team that will make sure your website, mobile app and Facebook page look amazing. But too often they outsource the actual build to a digital production house. On the other hand, many digital shops struggle to provide business and brand strategy like the traditional agencies on Madison Avenue. They can execute a plan, but they aren't as equipped to develop innovative ideas that align with your business objectives.

But there's hope. A new hybrid agency has emerged—one that offers strategy, innovation, and has the ability to execute on those ideas.

### The Shift from Creative to Strategy

The hybrid agency thinks differently when it comes to talent acquisition. Traditional agencies tend to focus on award-winning creative directors and designers—and they're an important part of any agency. But the new hybrid agencies start with strategists whose focus moves beyond creative to solving business solutions.

### Seamless Integration

One distinct advantage of working with a hybrid agency is the seamless integration between strategy, creative and development. When you split the innovation and implementation, you risk a compromised final product. In a hybrid agency, strategists have full access to the designers and developers. Open dialogue throughout the process ensures that innovative ideas are not only possible, but that they'll deliver results. One distinct advantage of working with a hybrid agency is the seamless integration between strategy, creative and development.

### How To Know if an Agency is the Right Fit

When it comes to selecting an agency, you want a company that demonstrates its ability to solve business problems, not one that initiates the conversation with a "show and tell" of the latest awards it has won. You want to look for evidence that the agency actively measures everything it does so it can articulate its success.

Instead of letting an agency pitch you, a good way to start the dialogue is to ask the agency you're considering to provide an overview of how they work, along with case studies that clearly tie business objectives to real world results. And ensure the following questions are answered:

- What business problem or challenge did the brand ask you to solve?
- What constraints did you have to overcome?
- What were the deliverables, and what was your ideation process to get to those deliverables?
- Did you perform the work internally or outsource it to another agency or agencies?
- What were the results (quantitative and qualitative)?

Also inquire if the agency is open to letting you contact the companies that they've showcased in their portfolio.

If an agency can answer those questions cogently, you're on the right track. But you may want to consider contacting some of the agency's other clients. Ask those clients what they thought about the engagement and execution of the ideas because you won't get that kind of insight anywhere else.

### Having it All

In today's marketplace you can work with innovative strategists who are laser focused on solving your business problems, not expanding scope. You can work with designers and developers who think strategy first, and awards second. And you can ensure that the results you were promised up front are measured and analyzed, so that your marketing dollars become an investment and not an expense. So, ask yourself – Is a hybrid agency right for you? INDUSTRY INSIDER The SoDA Report Q1- 2012

# with Kenny Tomlin

Kenny Tomlin is the founder and CEO of Rockfish Interactive. Headquartered in Arkansas, the mid-American agency has quickly become one of the fastest growing companies in the industry.

The company is both a digital agency and a startup incubator, boasting clients that include Sam's Club, Johnson & Johnson and Walmart, as well as launching numerous companies and proprietary technologies such as TidyTweet and CouponFactory.

Rockfish was acquired by WPP in August of 2011.

### Balancing Clients and New Ventures

**DOLIN:** What was your inspiration for creating such a unique agency-incubator model? Was it always a part of your plans?

**TOMLIN:** In 1997, I started a software development firm that focused primarily on developing computer-based learning software for clients. In 1998 we launched an ecommerce business for selling golf equipment, building the site primarily on nights and weekends. It became a nice balance between building revenue by billing for your time and by selling a product. The value of the ecommerce business quickly exceeded the value of the consulting business and led to the acquisition of both companies.

So, when I founded Rockfish in late 2005 I had the same strategy in mind. From day one, the company was set up to serve clients and to incubate our own products. At the time I was told clients wouldn't like this approach and that the two models couldn't both succeed inside of one company. Time has shown that it can succeed and today more agencies are adopting similar strategies.

### **DOLIN:** How much of your infrastructure and recourses are focused on delivering client work verses developing new ventures?

**TOMLIN:** 90% of our resources are focused on client work today. Our client business continues to grow so rapidly that we have difficulty building teams fast enough to keep up with it all. The situation is not ideal because our internal projects don't always move along as quickly as I would like — but clients come first. We are 170 people and growing, so even a 10% commitment to our own businesses is meaningful. Over time, I'd like to see it closer to a 50/50 split.



Kenny Tomlin, Founder/CEO Rockfish



Guthrie Dolin, Principal, VP, Director of Brand Strategy, Odopod

Kenny Tomlin has led Rockfish from a oneman start-up in 2005 to become one of the most recognized and fastest growing digital innovation companies in the industry. As founder and CEO, he actively participates in the management and growth of many client relationships and leads its emerging technologies and product development group, Rockfish Labs.

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Our clients appreciate that we invest our own resources in the same types of strategies we recommend to them. People move between client work and internal businesses. While technology and creative resources are shared, I've learned that it's important to hire dedicated businesses development for the agency as well as operations people to grow our internal ideas.

### **DOLIN:** How does the culture of entrepreneurialism influence and/or inspire your client-facing work, and vice versa? Do clients feel there is a conflict or a selling point?

**TOMLIN:** It's a nice balance. We own and operate a CPG brand, Silver Joe's Coffee, with retail locations (coffee shops and clothing stores), as well as technology SAS businesses like CouponFactory and TidyTweet.

Our clients appreciate that we invest our own resources in the same types of strategies we recommend to them. And, entrepreneurial thinking is what draws many companies to Rockfish. Today clients want to collaborate with us to help them build new digital business models for their companies.

Additionally, our model has garnered us a lot of positive media attention — which has brought greater awareness to our company from both potential clients and recruits.

### OPINION

INDUSTRY INSIDER

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### The Value of Aligning Your Business with Client-Centric Organizations



By: Evan Klein, Founder & President, Satrix Solutions

**Satrix** solutions

Evan Klein is the Founder & President of Satrix Solutions (www.satrixsolutions. com). Organizations rely on the company's formal customer feedback programs to gather valuable insights from existing, former and potential customers. The analysis and recommendations delivered serve as a blueprint for driving operational improvements to improve customer retention, maximize share-of-wallet and increase sales close rates. Satrix Solutions is a certified Net Promoter® Loyalty Partner and SoDA's exclusive strategic advisor on customer feedback programs.

Choosing an agency to partner with can be an overwhelming proposition. Any delay or missteps can be costly for your business as the partner you select is a determining factor in the success of your online objectives.

### Key Considerations for Selecting a Client-Centric Agency

The process of vetting new agencies often includes a Request for Proposal (RFP) and face-to-face meetings that seek details on the agency's staff, portfolio of clients, vertical expertise, and technology capabilities.

While these are all critically important considerations, it is also essential to conduct a rigorous evaluation of the agency's level of commitment to the client experience. Nearly every agency professes to care deeply about their clients. However, it is the actions of the leadership team that will demonstrate whether they "walk the walk" with regard to client-centric behaviors.

What should you look for to ensure you're partnering with a client-centric agency?

#### Does the agency regularly gather and respond to client feedback?

Achieving total client satisfaction requires agencies actively engage in candid dialogue with clients. Look for agencies that have an organized and structured process for gathering feedback and ask how often they seek client input about the service experience. Depending on the type of engagement – either project or retainer based – you should expect, at a minimum, formal discussions to occur at the conclusion of a project or on a semi-annual basis. It's equally important to consider how effectively the agency responds to client feedback. Agencies should have procedures in place for "closing the loop" in order to ensure your voice is being heard and your input is being considered.

#### Does the agency track client experience metrics?

We have all heard the adage "You can't manage what you don't measure." This certainly holds true for client satisfaction and loyalty. There are several metrics agencies can track to assess the strength of client relationships, each of which will give you a window into how successful they are at establishing true client partnerships. Many of the world's leading client-focused organizations gauge loyalty using the Net Promoter Score® (NPS) discipline. Relatively simple to implement, this client loyalty metric enables business leaders to monitor how enthusiastic clients are about the service provided, as well as identify client pain points and focus on improvement initiatives most likely to enhance the client experience. If the agency hasn't adopted NPS, more traditional client satisfaction scores are also quite revealing, particularly if the trend is favorable over time. Client retention, client tenure and the percentage of accounts that will serve as references are other strong indicators of how good the agency is in keeping clients happy.

### P 30

Client retention, client tenure and the percentage of accounts that will serve as references are strong indicators of how good the agency is in keeping clients happy.

#### Does the culture of the agency align with client service excellence?

To attain service excellence, agencies should set clear expectations and hold employees accountable to a high standard of service. Attempt to uncover if clientcentric values are embedded in the organizational DNA by asking the leadership team about the agency's culture. Do they speak about differentiating through exceptional client service, the importance of hiring the right employees and retaining them, or their approach to maintaining an open and honest dialogue with clients? Are certain goals based on client experience objectives? How engaged are members of the leadership team with each account? What is the process for escalation if an issue arises? While it may be difficult to assess the agency's true level of commitment, responses to these questions will help determine how focused the agency is on maintaining a true client-centric culture.

Choosing an agency that recognizes the importance of listening and acting upon client feedback can pay huge dividends in the long run. Asking the right questions and doing some homework can help increase the odds of picking the best partner for your company.



### **Related Research Insights**

### NICHE DIGITAL SERVICES PROJECTED TO FUEL AGENCY GROWTH IN 2012

Digital agency leaders are particularly bullish on niche/specialized offerings, as well as ongoing project-based opportunities.



**Q.** What types of client relationships represent the greatest opportunities for growth in the near term for your organization?

### Survey Says...

We asked digital agency and production company leaders what specialized areas are showing the strongest growth going into 2012. Here's what they said:

### The Top 5

- 1. Social Strategy
- 2. Social Media Monitoring
- 3. Analytics
- 4. Social Response Management Modeling
- 5. Application Development



### INDUSTRIES SHOWING STRONGEST GROWTH IN USE OF DIGITAL TECHNOLOGY

Survey respondents named Retail, Tourism and Financial as industries showing the most significant increases in use of digital technologies, with CPG and Medical rounding out the Top Five.



**Q.** In which categories have you seen the most increased use of digital technologies? (Agencies, Consultants & Vendors)



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### OPINION

MODERN MARKETERS

### The Brand Balancing Act



By: Philip Rackin, Director of Strategy, Magnani Caruso Dutton "The customer is in charge of our brands now! Everything has changed!" It's preached from the dais at conferences. It's treated as received wisdom by agency strategists and the C-Suite alike. But what exactly are customers now in charge of? And what does that mean for us in the business of building and maintaining brands?

#### Magnani Caruso Dutton

As Director of Strategy at MCD Partners, Philip Rackin helps companies such as Samsung, E\*TRADE, Discover Financial, and Genworth *identify and develop* opportunities to grow their businesses with emerging technologies. Over the past 15 years, he's developed dozens of marketing programs, and digital products for consumer and B2B The reality is that consumers have ALWAYS been in charge of many aspects about your brand. They've always defined what your brand means in their world; always been in control of how they represent your brand to others; always been the ultimate decider of how and when they turn these feelings into transactions. Thanks to technology, especially mobile and social media, we're just being confronted by these facts on a more immediate, visceral basis.

On the other hand, marketers have been disproportionately benefiting from digital technology for nearly 20 years. We can algorithmically sift through massive amounts of consumer data, and uncover what works with pinpoint accuracy. We have the power to connect directly with our most engaged audiences at historically low costs. Mobile commerce turns any moment into a potential moment of purchase. And most importantly, we can tap into and expand the goodwill we've engendered through our previous efforts.

It is tempting to look at these trends as an arms race—pushing marketers to ever increasing outlandish and invasive efforts. And indeed, there are elements of that in the way we jockey for position with new technologies (Facebook Beacon, anyone?). A more constructive way to think of it is as a quest for balance.

Balance means marketers and audiences working together to build brands and imbue them with meaning. Doing this is not complicated, but it is not easy either. By acknowledging a few simple responsibilities, marketers can achieve better balance and greater connections with their audiences.

### The Responsibility to Continuously Listen, Filter and Reflect

If social media changes one thing for marketing organizations, I hope it challenges us to think of VOC research as something that happens constantly, not just in quarterly cycles. If your social media efforts are measured like media, then you are doing it wrong. At this point, there is no excuse for not actively incorporating constant consumer learning into your marketing AND product experiences. If marketing is only a one-way conversation within your company, how do you expect to have two-way conversations with outsiders? If you can't imagine saying something directly to your customer's face, then it should not be said at all, regardless of channel.

### The Responsibility to be Honest and Aware

The social web does an amazing job of sniffing out and calling out lies in seconds. It is a losing game to even try. But true honesty is not just the absence of falsehoods. Brands need to go a step further and be honest with themselves and their agencies about the role they can play in their customers' lives. Is toilet paper really a lifestyle brand? For most of us, not so much. Balance your expectation of engagement to the reality of your offering. Everyday items can inspire extraordinary affection. But recognize that if you want to generate exceptional levels of fandom, you need to put in the effort to deliver exceptional experiences.

### The Responsibility to be Meaningful

Maslow has a lot to answer for. In the quest to associate our brands with primary motivations, we've often abstracted our mission to the point of ridiculousness. (See BMW, who recently realized that it was not in the Joy business after all). Looking at Facebook and Twitter alone, companies have invested countless hours to provide their fans with opportunities to chat about the weather. Our primary responsibility as marketers is not pointless "engagement;" our job is to create deeper desire for our offerings. Establish a real and connection between your interactions and your product benefits.

### The Responsibility to Interact Like Human Beings

When Verizon announced a \$2 fee for online payments last November, the outrage was immediate and palpable and most surprisingly, successful. After years of telling customers how easy, convenient and efficient direct payments were, suddenly charging for what is obviously an efficiency driver for the company was beyond acceptance by the usually cowed mobile phone customer and they used the company's communication tools against them.

There is a simple way around this problem: If you can't imagine saying something directly to your customer's face, if you can't imagine your frontline service representatives saying anything more than "Sorry, but it is company policy" then it should not be said at all, regardless of channel.

The real shift in modern marketing has nothing to do with the tools, the platforms and all the new opportunities that spring from them. The sea change is that we as marketers can no longer use advertising to shield us from interaction. We must embrace interaction with our audience and accept the responsibilities that come with the opportunities it offers. Only then will we find balance.

### ARTICLE

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### Rethinking the Marketing Department



By: Justin Cox, Sr. Brand Strategist, Pereira & O'Dell

pereira\voidell

Justin has spent the last nine years devoted to helping companies solve their business problems through the lens of the media and cultural landscape. His experience spans across traditional and digital advertising, brand management and product development. As a senior brand strategist at Pereira & O'Ďell, he works across all agency's clients to create connections between brand and consumer. He spends his free time teaching advertising strategy at Academy of Art University and rooting for the Lakers.

Today's media landscape is constantly changing: new cultural influences appear, innovative technologies change the way people behave and emerging platforms make marketing richer yet more complex. And each year, marketers spend millions of dollars and countless hours trying to stay abreast and find an edge, often to no avail. It's not for lack of desire, capable people or ingenuity. It's because most marketing departments were built on a structure that does not reflect the needs and challenges of 21st century consumers.

As we try to build modern marketing organizations, it would be good to pay heed to the following five principles:

### 1. Do What Feels Wrong

An unfortunate reality is that the very things that we rely on as indicators of high performance – hiring the brightest students from the top business schools, using current jargon, and employing the same brand pyramids and integrated marketing communications plans – have over time created a marketing culture in which the process of marketing beer is no different from marketing cereal or personal banking. We should preserve the elements that keep us informed (i.e. data and years of collective experience), while embracing innovative practices that require us to do what feels wrong. We should experiment by re-organizing marketing groups to better represent the entire customer experience, combining brand managers, product engineers and customer service representatives into one unified team. If not structural changes, then a greater willingness to embrace new and unproven approaches is imperative to develop unique ways of connecting with consumers. One thing is certain: defying convention always results in progress.

### 2. Move Like a Technology Company

Technology companies are astoundingly successful due to their ability to adapt, improve and re-release. Despite the initial launch of an unfinished product, Gmail became one of the world's most popular email platforms while still in Beta. Why? Because the audience became part of their real-time development process. Applied to marketing, this approach subverts the standard process whereby products and campaigns are planned according to a linear calendar. Our brands need to respond to human behaviors, competitive pressures and cultural memes. The more a brand acts in real-time, the more relevant it becomes to consumers. Making flexibility the filter for all of our efforts, rather than product and marketing calendars, provides us with the additional opportunities to gather insights, optimize products and campaigns, and eventually drive greater performance across the entire organization.
We should preserve the elements that keep us informed (i.e. data and years of collective experience), while embracing innovative practices that require us to do what feels wrong.

### 3. Market with a Rhythm

Everyone has heard the adage, "consumers never stop being consumers." Many marketing experts believe marketing should always be on, but I would argue this theory is misguided. Budgets, fiscal calendars and product lifecycles are finite. We shouldn't view people as robotic consumers who never stop. We should look at the entire consumer lifecycle as a series of peaks and valleys in which a brand either engages with the full weight of its marketing power or recesses and lets consumers make the first move. In essence, it's more important to create a cadence or rhythm to a brand's marketing efforts. Just like a great song or film, marketing should take consumers on a journey, using different tools or devices to connect with them along the way, eventually bringing everything full-circle when consumers are ready to engage again. The tools to make this a reality are readily available to us. By blending media (paid, earned and owned) with new digital and social listening tools, it is easier than ever for companies to find the natural rhythm that matches their products and brands.

### 4. Behave Like an Entertainer

In an age where successful campaigns are built upon consumers' willingness to opt-in, marketing often loses sight of a key goal for any external communication: to entertain. A lesson can be learned from some of the strongest brands in the world—rock bands. A band develops a voice and creates a persona that projects their point of view to the world. Its songs are their proof points and concerts are their advertisements. When Metallica plans a tour, they focus on giving their fans the most engaging and exciting experience possible. Everything, from the set design and pyrotechnics to the on-stage act and promotional posters, is designed to connect with fans and inspire them to pay to hear songs they already know by heart. The new model for building brands should be rooted in the vision of blurring the lines between promoting product features and creating truly entertaining experiences.

### 5. Make Media Attribution Part of Marketing.

Data drives the entire business world. Media analytics has long been part of the discussion, but the growth of behavioral data collection and social technologies has made the entire landscape more immediate and actionable. Despite this, many marketers still struggle to understand which percentage of their media is actually working for them. The next phase of media progression is media attribution, and it directly addresses this issue by focusing on how one medium affects another. Now that every vehicle is interconnected and digital analytics can officially be integrated into all other media, brands are able to optimize their television buy and their online buy based on the activity occurring between the two. Brands can test, adjust and develop their efforts in near real-time, making media the most important part of the marketing equation. Careful application of this new form of media analytics, combined with rigorous testing, will help us focus our spending on channels that work.

### For additional content on media attribution, see Stefan Tornquist's piece on the next page.

Ultimately, marketing is about evolution. Brands that adapt and transform with society will be the brands that make a lasting impact on people's lives. And brands that cling to the past will fade away just like the times in which we used to live.

### OPINION

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# The Marketer's Mandate: Channel Attribution



By: Stefan Tornquist, VP Research (US), Econsultancy



Stefan Tornquist is the Vice President for research (US) for Econsultancy. His team covers a wide range of digital marketing topics including email, search, social media and ecommerce. Stefan's research and commentary have been featured in mass media publications such as the Wall St. Journal, Business Week, and AdAge as well as virtually every trade press outlet.

The SoDA/Econsultancy study comes at an intriguing time for marketing, digital and traditional, when marketing trends, technology and the world's economy are conspiring to change marketing profoundly. We've known for some time that digital introduced a new accountability into marketing, and that there was a slow movement in dollars toward the second and third screens. But several factors are disrupting natural evolution with genetically modified agents of change.

The worldwide economy has shrunk budgets in virtually every product category, at the same time that commerce is moving online. Time spent online still exceeds the digital share of budget spend by a large margin, despite yearly double-digit growth over the last decade. But the stress on budgets has accelerated the online movement of budgets, though it's rarely a one to one transfer (too often, a dollar spent on television and print become \$.20 cents online).

This new financial emphasis leaves companies far more interested in how digital works, and how well it works, than they've been in the past. It's easy for companies that focus on the digital world or that began there to feel that questions around the accountability of digital marketing have been there for years. But for many organizations, especially larger ones, digital has stagnated in the high single digits as a percentage of the total budget sandbox. That time is just about over.

Accountability isn't the easy promise that digital seemed to offer in its early days. If anything, digital marketing tactics offer too many opportunities for measurement, many of them debatable in their validity and value. These debates over specific measures, along with the mountains of data each one produces and specific jargon of digital measurement have hindered industry growth kept brand advertisers on the sidelines.

Fortunately, research into the customer journey has made it clear that online channels don't operate in a vacuum. 70% of the respondents to our survey reported some level of organizational change to become more customer centric, and part of that new emphasis is on how customers find, use and share content. Even relatively low-cost products get discovered, researched, compared and purchased across multiple touchpoints, across owned, earned and bought media. This interplay is unique for every company and every product, and requires sophisticated methods of analysis, giving rise to the practice of marketing attribution.

Attribution is still in its infancy at most organizations, but that is changing. Companies use a wide variety of methods and technologies to determine how their channels work in concert, each with its own strengths and weaknesses.

**Tackling** questions of media attribution yields profound effects, including rapidly reengineered budgets, increased return on investment. a lowering of the walls between silos. and an ongoing education into the customer journey itself.

But engagement with questions of attribution has profound effects from the outset, including rapidly reengineered budgets, increased return on investment, a lowering of the walls between silos, and an ongoing education into the customer journey itself.

Attribution also presents an opportunity for the digital agency. In fact, for many organizations, determining channel value is a practice led and maintained by their digital AOR or channel-specific agency partners. There can be issues of objectivity.

For example, when an agency principally concerned with paid search is tasked with attribution, obvious conflicts arise. However, agencies dealing principally with attribution and analytics (or those with broad, multi-channel responsibilities) are well positioned to help their clients, and typically bring multiple technologies and methods to the table.

The media mix will never be the same, because it will never be static again. New digital channels and platforms are emerging regularly, and they're not replacing anything in the marketer's toolkit, they're simply adding to it. As consumers become more mobile and more social, it becomes more difficult to assign credit based on a single click or interaction. Attribution asks marketers to continuously evaluate across the experience in order to understand this interplay. Perhaps for the first time, digital is truly measurable and accountable because we are beginning to truly understand how it works.

There is still a long way to go. Attribution has to move from the upper tier of companies down into midrange. It has to mature and become less expensive. And, most importantly, it needs to jump the large gap between online and offline, so that the interplay of those channels is better understood.  $\clubsuit$ 



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# The Rise of Responsive Marketing



By: Sven Larsen, CMO, Zemoga



Sven Larsen is currently CMO for Zemoga, a digital innovation firm. He's an awardwinning Digital Media executive with over 20 years worth of experience building brands and creating content for a diverse array of companies. Are you ready for "the new new media"? With the astounding growth of mobile platforms and the incredible speed with which tablet devices are being adopted, the new buzzword in user experience circles is "responsive web design," adapting navigation and design of digital offerings to deliver an optimal experience for the platform or device being utilized by the reader. But our content and brand messages must adapt to this new paradigm as well.

Consider the numbers. JP Morgan is predicting sales of close to 100 million tablet computers in 2012. This number includes over 45 million iPads and 20 million Kindle Fires (a platform that didn't even exist six months ago).

Those record-setting sales helped drive the inflection point of mobile access so that a historic moment occurred—in Q4 2011 more mobile and tablet units shipped than all PCs combined. Add to that the growth of Facebook (projected to reach over one billion users in August 2012) and it's clear that digital no longer means just website anymore.

And just as you wouldn't film a magazine display ad and call it a television commercial, each of these new platforms requires its own customized media and its own versions of the brand message. "Design for People not Platforms" is advice we've dispensed elsewhere in this report, but we must do so while being mindful that consumer behavior and expectations may be different depending on the tools they use.

A 30-second pre-roll ad on a YouTube video may be acceptable on a broadbandconnected desktop. But that same ad can take what seems like an interminable time to load on a smartphone with a 3G connection. If the purpose of marketing is to entice and convince the consumer that a product can enrich their lives, then a negative user experience (one that shows a disregard for the user's likely behavior) can produce exactly the opposite effect. In our crowded media landscape, being perceived as wasting the customer's time is the worst sin possible.

Treating different use cases as different media is a challenge both to marketer's creativity and their budgets. Companies that have finally accepted traditional digital marketing as a necessity and are taking their first tentative steps in to the social media space will probably not want to hear that tablet and mobile devices have to be treated as different media. But there are also opportunities here for brilliant and creative marketers to own real estate and stand out from the crowd.

Native applications like WIRED magazine's iPad app or ESPN's successful series of mobile apps have enhanced those company's brand equities. And the seamless experience that Apple and Amazon have managed with their own app stores and media delivery provide

In our crowded media landscape, being perceived as wasting the customer's time is the worst sin possible. another example of this new type of marketing. The future may bring campaigns that live solely on a given platform like the Fire or even within a given app like Instagram or Angry Birds (early examples of this have already appeared).

In the age of the "Always On" consumer, brands must take the classic Microsoft/Coke approach of placing their message everywhere that consumers live online. But they must also tailor and localize their marketing efforts to properly communicate in these virgin territories. By embracing the age old practice of listening and responding to the consumer, they can guarantee that there will be a place for them in the exciting new channels that are defining the modern consumer landscape.

### OPINION

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# You Need to Build a Spaceship



By: Chad Ciesil, CEO, Gravity Federation and Board Advisor, Bluewall Media



At Gravity

Federation, Chad and team focus on convergence and the changes required to thrive, if not simply survive, as a result of the massive shifts underway in our industry. Chad spent eighteen years as an executive and strategic leader in digital and traditional agencies. Through associations like SoDA, where he served on the board, he's had great fun as a contributor to the national dialogue around the marketing revolution driven by

As a marketer, it is never easy to make sense of the constant barrage of technological change, competitive challenges, budget management, brand management, media consumption changes, accelerating fragmentation, not to mention today's latest and greatest idea or opportunity being presented to you by your partners, agencies and vendors. My advice? A simple recommendation borrowed a bit from science fiction as well as the Aztecs: you need to build a spaceship.

Your brand's time comfortably resting on terra firma is about to end. Gravity's pull is weakening every moment and will no longer hold it here. To prevent it from missing out on a galactic trip or floating aimlessly and recklessly in space, your brand needs a spaceship.

You may disagree. You are comfortably walking today. This gravitational change may be imperceptible to most even when staring directly at the signs or watching other ships take off. They are the crazy ones, you might say. We've all seen way too many Hollywood thrillers with this plot line.

However, this is the new reality for brands. If you wait, you risk paying more for your ship, fighting for scarce resources, following instead of leading, reaching out to millions of new friends (many of whom may be alien to you now) or not being able to take off at all.

A.G. Lafley famously said in 2006, "Consumers are beginning in a very real sense to own our brands and participate in their creation...we need to learn to begin to let go." In 2012, you don't have a choice and I'd rather have a spaceship once I let go and now start floating. That's not to say consumers won't help you build and direct it.

It's a spaceship because you need to realize this is total change, not just another evolution for you to sit out. You are now a traveler adapting, contributing and communicating with an ever-expanding and changing universe. This universe is big, and staying stationary gets lonely. When you do make contact with others, each new planet requires a new method of approach and language for communication. To survive each interaction you need to listen and learn as much or more than you speak and educate. As such, the requirements are completely different.

Here's where you need to do to start:

A spaceship requires a mission, not a fixed position. It's an active, ongoing and ever-changing endeavor that galvanizes the crew.

### Define your Mission as Opposed to a Fixed Position

A defined brand position is obviously not a new idea. However, a spaceship requires a mission. And, yes, you need to decide. Many of the fundamentals are the same: What makes your mission different? Why should I care about your mission? However, a mission is not a fixed position. It's an active, ongoing and ever-changing endeavor. It's a direction, not a destination. It adapts to new environments. It galvanizes and inspires the crew.

### Evolve and Adapt Your Practices

Digital has already unbalanced the budgeting scales over the past ten years. The last few years have seen budgets begin to be more digitally focused rather than traditionally focused (TV, radio, print, OOH, etc). New and still evolving channels, new devices, new formations of interest and lifestyle groups as well as new targeting and personalization technologies all continue to change what, when, how and where you do what you do.

Television is the last gravitational force with enough strength to hold you on the ground. However, we are starting to see the real potential for disruption of the current broadcast and cable television model. Broadcasting from your own spaceship will present new opportunities and now is the time to get the capabilities in place. Mark Suster, GRP Partners, recently gave a great short speech on the Future of TV that's worth watching (click here to watch).

### Check and Measure Your Fuel Differently

This is going to be a long trip. Truly understanding what works and what doesn't will be both more important and more possible in space. On Earth, resources were more abundant so it was okay if measurement of those resources was less precise. This has to change. I read a wonderfully thoughtful and detailed blog post on this topic last month *(click here to read)*. This is the kind of thinking and precision that will be required on your trip.

Truly understanding the differences of this new reality and the new requirements for building and flying your spaceship will take experimentation, trial and error. Hopefully, this short piece gets you thinking about a new direction. As always, stay focused, don't make the same ship as everyone else and have some fun out there in space.

### ARTICLE

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# Facing the Always-On Consumers



By: Joe Ferran, Copywriter, Geary Interactive



Extending the skills acquired as a Creative Writing major at the University of Southern California, Joe Ferran currently works as a copywriter for Geary Interactive in San Diego, California. When not crafting language within the creative team at the agency, he burns midnight oil chasing his muse towards the completion of his first novel.

Though it may be easy to point a finger at the always-on consumer society and declare their constant online engagement and information sharing to be simple diversions of attention, this would be to disregard the most important change brought about by intra-consumer connectedness. Consumers now have the power to demand businesses either allot full accountability or run the risk of being found out and subjected to P2P scrutiny and subsequent punishment.

There is no escaping this reality: the number of consumers who spend every waking hour with some form of Internet access is growing. And considering over 50% of the world's population is under the age of thirty years old, the adoption of smart phones, tablets, and other web-connected devices is only going to continue to expand as tech-savvy masses ascend the age ranks.

While cynics view the transition as a loss of touch with reality and optimists view it as the portal to untapped educational and business opportunities, those in the world of advertising must remain level-headed and vigilantly analyze the impact of this paradigm shift in the means of communication between businesses and consumers.

Always-on consumers have acquired immense power via the prominence of user generated content and social media, thereby creating a world of company-consumer relations in which corporations must act with more accountability than ever before.

Large companies are not immune to this trend. In fact, the more powerful the company, the more consumers it engages; the more consumers it engages, the more prying eyes and keyboard-ready fingers it has to keep content.

### Example A—What Not to Do

In 2008, Dave Carroll had his guitar broken by United Airlines. United chose to brush off the complaint, giving him no reimbursement, and Dave responded in 2009 with a video entitled "United Breaks Guitars." The video became a viral sensation, bringing the company widespread negative publicity, and no number of "Friendly Skies" ads could undo the damage of Dave's three-minute video.

Though 2009 was relatively early in the game of online consumer control, the airline's actions were misinformed. Lucky for everyone else, however, at United's expense the world learned that all it takes to embarrass an international organization is one angry customer and a YouTube account.

Consumer opinion—fueled by an everincreasing array of platforms to easily express that opinion en masse—has overthrown the power of corporate posturing, and the companies who will come out on top are the ones who will be the first to accept this new reality.

### Example B—What to Do

Fast forward. 2011. Domino's Pizza turns the ad world on its head with a new "candid campaign."

The strategy? Domino's explicitly asks customers to text and e-mail them bad photos of Domino's pizza so the company can publically chastise itself. The ad spots focus on Domino's own shortcomings as pointed out by the people, and then pledge to correct them.

This is an admission by Domino's that it realizes it cannot hide behind its advertising, that the public can no longer be fooled by a flawed product. Therefore, rather than trying to persuade, Domino's rolls over and submits fully to its consumers.

Though this may not seem overtly revolutionary, such surrender highlights the beginning of an era in which the opinion of online consumers has overthrown the power of corporate posturing, and the companies who will come out on top are the ones who will be the first to accept this new reality.

After all, the customers have always been right. The web has just given them a way to prove it.  $\blacklozenge$ 

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# with Charles Ho



### Socializing Luxury

### **RACKIN:** You market a 300-year old luxury brand. How has social changed the way you think about marketing?

**HO:** In this industry, there will never be a substitute for face-to-face interactions and tastings. It is a social and visceral product. Nothing is going to change that. For us, social is an extremely efficient way to generate a lot of reach. It has been transformative in allowing us to try a lot of different, targeted initiatives, even when targeting our serious, high-end luxury consumers. In the past, it was both difficult and costly to reach those consumers.

### **RACKIN:** How do you integrate digital into your metrics and overall performance analysis?

**HO:** We oversee Rémy Martin's social properties in house, with a team dedicated to monitoring and providing insights back to the brands. Most of the time, these same people are responsible for responding and interacting, though we still look to agencies to provide creative when appropriate. We always try to connect with our business metrics and gauge how the digital efforts tie into and expand the offline efforts. For example, we monitor Facebook and Twitter to track the after-effects of our sampling and promotional programs.

We're also doing more to take advantage of the social benefits of our sponsorships. One of the best things that came out of a relationship with T.I. and Usher is that we amassed a huge following of Facebook fans. We have a great opportunity to get them involved in the mythology of the brand, in a way that is connected to their lives. And so far, they're sticking around.

Charles Ho, Vice President, The House of Rémy Martin at Rémy Martin Cointreau USA



Philip Rackin, Director of Strategy, Magnani Caruso Dutton Fans are ultimately there to be part of the brand/product mythology, and you have to respect their interests.

### **RACKIN:** What types of information keeps your fans energized and excited?

**HO:** With the Rémy Martin brand, we've put a lot of things out on our social networks, things that are relevant to our target audience's life (concerts, events, music festivals, etc.). But interestingly enough, when we put out more information about the brand – like the cognac blending process or about the Champagne region in Cognac where we get our grapes – people are much more responsive and engagement metrics spike.

When you try to leverage the mystique to talk about other things, consumers don't care as much. It is fine for building new awareness and to draw people in initially, but the fans are ultimately there to be part of the brand/product mythology, and you have to respect their interests.



### Survey Says...

71% of senior-level marketers confirmed they will place greater emphasis on response management within social channels in 2012 and 2013—primarily with internal teams at the helm of those efforts.

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# with Robert Harles

In August 2010, Robert Harles became the first Global Head of Social Media for information and technology giant Bloomberg LP, after working in consulting, startups and a stint as the head of social media for Sears Holdings. Looking forward to 2012, he shares his perspective on establishing social media practices within high-performing organizations.

### Social Evolution

**RACKIN:** Social Media is a relatively new function at Bloomberg. How have you approached building support across your organization?

**HARLES:** My group has been tasked with building social capabilities across the organization, not just infusing social into marketing initiatives but developing a comprehensive approach across all areas. A year and a half ago, we didn't even use social media. It was our policy not to engage because we didn't know how to use it safely or how it fit into our value proposition. Fast-forwarding to now, we have at least eight people managing the platforms and hundreds of people participating. And our social audience has grown to about 1.8 million.

We provide policies, practices and metrics focused on a best practice approach for leveraging social media across the organization. We've developed a scorecard that we track continually, giving senior management visibility into progress vis-à-vis our social strategy and our ongoing efforts to optimize that strategy.

### **RACKIN:** Since you started a year ago, how has your approach evolved?

**HARLES:** At first, our approach was primarily focused on the foundational elements like building an audience. The next phase has been about building a community and trying to understand the ROI on engagement, which we connect to our business around a number of goals: monetary, intellectual and/or innovation.

All of our initiatives are based on clear business objectives, not just social objectives. Rather than focusing on securing "likes," we're here to help the business units create real value.



Robert Harles, Global Head of Social Media, Bloomberg LP



Philip Rackin, Director of Strategy, Magnani Caruso Dutton

Rob Harles is Global Head of Social Media for Bloomberg LP, responsible for developing and managing Bloomberg's social media efforts and initiatives across the globe. He joined Bloomberg in September 2010 from Sears Holdings where he was Vice President of Social Media, responsible for Sears' social media strategy and programs.

We provide policies, practices and metrics focused on a best practice approach for leveraging social media across the entire organization not just for our marketing efforts.

### **RACKIN:** Bloomberg is known for being fantastically responsive. Has social helped improve that?

**HARLES:** I see it as a continuum. It is not as if we suddenly infused social elements across the organization and revolutionized everything. We've always been a highly customer-focused organization. Our social strategy gives us more touchpoints to engage with and listen to customers in ways we didn't really leverage until recently. Our goal is to have real-time connectivity with our audience and help drive an understanding of where we need to go next.

As we expand and diversify Bloomberg, being able to take the concept of community that we have established for our core offerings and bring it into play for new markets with new targets is going to be essential.

### **RACKIN:** How has the rise of social media changed the way you develop products and interact with your audiences?

**HARLES:** We're starting to think about the implications of what we can get from this ever-growing cloud of chatter we have access to. And that includes all of our businesses, publishing and professional services. We do, however, have to be shrewd in how we uncover and apply insights from our social listening efforts. When you deal with the financial world, you are dealing with a highly regulated environment. We are providing a wealth of opportunities for people to engage with us. In turn, [our audience] gives us thoughts, ideas and sometimes criticisms, which we do take to heart and try to triage.  $\blacklozenge$ 

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# with Matt Moller



Matthew Moller, Senior Manager for Customer Engagement, Samsung Electronics



Philip Rackin, Director of Strategy, Magnani Caruso Dutton

Matthew Moller directs digital engagement at Samsung Electronics America where he sets the strategic vision for integrating social media, technology and brand marketing. Follow Samsung @ samsungtweets Samsung's reputation for innovative marketing has grown along with its position as one of the leading consumer electronics brands worldwide. As the Senior Manager of Customer Engagement for Samsung Electronics America, Matthew Moller oversees both social and traditional CRM efforts for the brand. His group serves as a core internal resource, bringing insight and best practice to the business lines, and leads all Samsung brand-level efforts.

# Samsung Taps into Engaged Consumers

**RACKIN:** Your team oversees social efforts as diverse as on-site ratings and reviews, off-site brand platforms on Twitter and Facebook, as well as blogger outreach programs and more. How do you connect the dots between them?

**MOLLER:** I think they are not necessarily exclusive of one another. The things that we learn from our interaction with people via reviews and online forums really help us understand what consumers are talking about, what they feel are the really pertinent issues around consumer electronics. That, in turn, helps us build a broader marketing message better service our audiences in the long term.

### **RACKIN:** What was the turning point for acceptance of social media as a powerful force for the organization?

**MOLLER:** Our first moment was around the Winter Olympic Games in Vancouver in 2010. As part of a traditional sponsorship, we implemented a media program intended to drive awareness. As a last-minute add on, we did something on Facebook. We saw tremendous engagement with consumers around our Samsung Mobile Explorer program. We quickly realized that the value generated from this group of people on Facebook (and the modest investment we made to reach them) tremendously outperformed our expectations.

If you've hired a company to form relationships on your behalf, you are not really forming relationships.

### **RACKIN:** Samsung has made a real resource commitment to social media. Has it been easy to get the business on board with social efforts?

**MOLLER:** Personally, I can't really see how a company can succeed without being directly involved in their social presence. You have to be involved, speak to them and have an honest conversation. *If you've hired a company to form relationships on your behalf, you are not really forming relationships.* 

Samsung's global leadership team has been incredibly supportive of this approach. For example, based on the success we had at SXSW this year (with our blogger lounge and other programs), our headquarters in Korea has decided to roll out similar programs at cultural touchpoints around the globe.

### **RACKIN:** How do you measure the ROI especially for these kinds of engagement efforts?

**MOLLER:** There are certainly short-term measures that social media allows for (e.g. conversation share of voice, sentiment, etc.) all of those based on pretty standard listening techniques. But one thing that's both very important, and a little harder to put a number on, is the long-term relationships we establish with people who later deliver the kinds of insights we just normally would not be able to get. Being able to have a relationship with people who can clue you into potential issues that you might want to act upon quickly, or who might speak on your behalf honestly and transparently, helps in ways you can't easily measure.



### **BRANDS RAMP UP MARKETING ORGANIZATION CHANGES**

Almost three-quarters of client-side digital marketers said their companies are transforming the structure of their marketing organizations.



Q. Are you seeing a trend toward clients evolving / transforming their marketing organization's structure?

### Survey Says...

When asked exactly how marketing organizations are evolving, an upsurge in in-house digital expertise on the brand side emerged as the most prominent trend. A few highlights: "Brands are bringing more digital expertise in house to better manage outside partners and internal stakeholders."

"Changes in consumer behavior and technology are prompting brands like mine to become more digitally savvy and bring in specialized roles. We need to talk to specialists on the agency side, and we are starting to hire the right people to deal with specific, niche agencies."

"We are reprioritizing skills sets and org structures within our marketing teams to better align with the transformation we are seeing in how we communicate with consumers—namely through digital channels."

"Marketing departments are adding more digital specific roles and expanding their org charts to be inclusive of roles such as Community Manager."

"Clients are creating in-house social media management teams, as well as groups focused on analytics and reporting."



### **Related Research Insights**

### BRANDS BEGIN TO REORGANIZE TO BECOME MORE CUSTOMER-CENTRIC

Efforts are ramping up, but more is needed.



Q. What organizational changes has your company implemented? (Choose as many as applicable)





### **Related Research Insights**

### HOW BRANDS ARE LISTENING TO CONSUMERS AND INVITING PARTICIPATION

Traditional "voice of the customer" (VOC) initiatives still predominate, but social listening is on the rise.



**Q.** What types of initiatives have you or your company implemented as part of your marketing? (Choose as many as applicable)





### THE IMPACT OF CUSTOMER-CENTRIC INITIATIVES

For those brands who are implementing customer-centric initiatives, the value is clear.



**Q.** Have any of the following business actions resulted from your customer-centric initiatives? Please check all that apply.

### Survey Says...

We asked survey respondents how emerging consumer trends (including the rise of the "always on" social consumer) are impacting their digital marketing initiatives. A few highlights: "We're increasing our emphasis on understanding how consumer interactions with multiple devices are transforming the consumer buying cycle."

"The shift toward mobile is huge. We've identified three kinds of tasks where people are using their mobile devices, and we're making a point to tailor mobile solutions (for us and our customers) to one of the three: 'I'm somewhere and need to find a place,' 'I need news about something right now,' and 'I'm bored.'"

"Marketing teams often confuse technological availability and behavioral availability. People being on a device does not always translate into the need for better brand engagement on that device."

"We need to create experiences that are highly targeted and relevant to the audience, tailoring the experience to the user and the platform while enabling the ability to share via social."

"We're focusing more on analytics and the ability to decipher consumer data on a real-time basis as it is critical to achieving higher ROI."



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- The Art of Change Management INTERVIEW with Marc Speichert, CMO, L'Oreal USA
- Related Research Insights

## SODA REPORT

### **OPINION**

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# Why the Best Hire the Best



By: Ragan Kellams, Director, Human Resources, IQ



Since 2002, Ragan has been passionate about perfecting the art of the connection whether connecting a job seeker to an employer or connecting with contacts across the globe through the evolving Web. At IQ, Ragan has spent the past six years recruiting the best talent in the industry. Her ability to leverage social media strategies and emerging technologies has proved to be an invaluable asset as an executive -recruiter and human resource professional.

What is the key to cultivating digital marketing talent? That seems to be a question often raised and rarely fully answered. There are many schools of thought, but the universal truth is: no one really knows. Sure, money is important, opportunity is important, culture is important and most of all respect is important. But there is no one magic bullet that will keep talented people beating down your company's door and keep them there once they are hired.

It is a combination of all of the above, none of the above, some of the above—what motivates any one person is a bit different from what motivates the person sitting next to him or her. Figuring out what this magical elixir is for each of our employees, now that's where the real fun begins. In the words of one of my great mentors—Jerry Maguire—"It is an up-at-dawn, pride-swallowing siege that I will never fully tell you about, okay?"

For agencies to succeed today, we must realize that our people are the biggest assets we have. In a creative idea industry such as digital marketing, we don't have factories and machinery to keep oiled and in working condition, we have our people. As such, it is my job, as the leader of the one practice in the company dedicated solely to the people, to ensure the happiness and well-being of our greatest asset through communication, collaboration and trust.

This is a tall order, however, and the old adage "you can't make everyone happy all of the time," is one that is a constant reminder of the paradox we face every day.

We live in a world of constant communication, instant gratification and real-time results. Social media has opened Pandora's Box from a business perspective. Where once a company had the ability to "say" one thing and "be" another, today this no longer exists. In order to compete in the digital marketing business, agencies and organizations must have a social presence and to have a social presence means they will be held accountable for their actions (or inactions) in real-time and on a global scale.

The same holds true for an employer and the employer brand. Social media and emerging technologies provide a new transparency for employers and employees. The barriers once caused by the need for face-to-face introductions, sit-downs and endless meetings are becoming less critical.

Social media will never take the place of person-to-person interaction, but it definitely opens many doors and starts many more dialogues than employers have had access to in the past. Utilizing these tools to our advantage for recruiting and retention purposes should be as paramount as offering a comprehensive benefits package when it comes to the agency's strategy for finding and keeping the best talent.

Social media and emerging technologies provide a new transparency for employers and employees... Companies no longer have the ability to "say" one thing and "be" another. Employees usually don't leave their companies, they leave their managers. As a result, making sure that managers are trained and fostering an open, collaborative environment with their staff is key.

The most talented employees will not settle. They want to be continually learning, growing their careers and advancing professionally. They will not sit idly by year after year if they are not being challenged, inspired and motivated. It is our jobs to ensure that all of these pieces are in place, that we are offering competitive compensation and benefits, and in an environment that is conducive to the creativity, flexibility and balance that our employees hold sacred.

The bottom line is that to attract and keep the best, we have to be the best. It's never an easy task, and it's never one that is completed, but necessary nonetheless.

### ARTICLE

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### Prosumers and their Influence on Recruitment and Retention



By: Shannon Seery Gude, VP, Digital & Social Strategy, Bernard Hodes Group



Shannon is a leading digital strategist who has developed and *implemented talent* acquisition strategies to communicate employer brands and engage talent for over 10 years. Shannon has developed successful digital and social recruiting initiatives for Fortune 500 clients such as Bank of America, FedEx, Limited Brands, UnitedHealth Group, and WellPoint. She is a frequent speaker and trainer on social recruiting strategies and online employer reputation management.

By sharing information about what it is like to work for your company, employees have become the prosumers of employer brands. The term "prosumer" is a combination of producer/professional + consumer—and the social web enables employees to both experience and produce a company's employer brand.

The term "prosumer" isn't a new one. Applying it to employer brand, talent acquisition and retention, it means the social web has enabled employees to both experience and produce your employer brand.

Social media and mobile technology enable people to communicate instantly, consuming and creating content in real-time. Access to this information has become part of daily life, including in our roles as employees and job seekers.

When current or past employees share their work experience online, their content provides validation for candidates about what they have heard about a company. This validation leads to a feeling of trust in the company, builds credibility, and informs a better career decision—a foundation to building long-term employee loyalty.

Many of the interactions today between talent and companies do not begin or end on a company's career site. Employees regularly provide windows into the workplace via blogs, social networks, forums, and myriad other channels. This employee-generated content is a trusted form of information for candidates, and its easy discovery today is shifting employer brand control away from organizations.

Companies eager to recruit and retain people who are a match to their positions and company culture should embrace this shift. If your employer marketing says your company is THE place to be, then your employees should be alongside you in social spaces having conversations that support, and validate that messaging.

### Ways to Encourage the Shift:

**1.** Identify engaged employer brand ambassadors that exude passion and a commitment to the company values – their stories and "insider" point of view are the most credible influencers for today's candidate.

**2.** Encourage employees to be the faces of your employer brand on the social web. This will create the presence and the content that you need to gain quality referrals and attract talent by helping people make better decisions on whether or not they are a match for your culture.

Many of the interactions today between *talent and companies* do not begin or end on a company's career site. Émployees regularly provide windows into the workplace via blogs, social networks, forums, and myriad other channels.

**3.** Invest in both talent recruitment efforts through social media channels i.e. YouTube, Facebook Page, Twitter, etc) and training your talent acquisition teams on ways to develop relationships with candidates and job seekers using these channels, by being accessible and human.

**4.** Destroy the all too common "black-hole" candidate experience, and engage candidates by providing access to real-time and relevant employee stories on your company careers site.

Help employees advocate your employer brand and produce regular content that not only adds value to the candidate's decisionmaking process, but also supports the hiring of employees who understand and can further support your talent cultivation efforts.

Finally, don't underestimate the value of your employees' contributions as brand ambassadors in social media. They have an impact on your company's reputation and bottom line.

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# Lighlights

### INTERVIEWEES:

Ann Lewnes, CMO, Adobe Systems

Alessandra Lariu Co-Founder, SheSays

Laurel Walsh, Head of Leadership Staffing, Google's People Operations Team

To successfully navigate change, show your team where you want to go, explain the benefits and reward them when you get there, all while giving them the space they need to get the job done. ~ Ann Lewnes In this piece, hear how individuals, companies and organizations are transforming digital marketing teams—from bridging the gender gap in creative circles to navigating the complex waters of change management and cultivating top talent.

### **Empowering People and Change**

SoDA spoke one-on-one with industry experts from Adobe Systems, SheSays and Google, and asked them to provide their perspective on a wide range of issues and best practices regarding talent cultivation, change management and the future of marketing. Here are a few of the highlights from those interviews:

### Finding and Cultivating the Best Digital Marketing Talent

**Q:** What have you found to be the most successful strategies for identifying, securing and nurturing the best digital talent in the marketplace?

**WALSH** (*on recruitment*): We of course look for brilliant marketers, but also inspiring leaders and strong business partners. Some of the leaders we have brought onboard over the last few years have been involved in high-profile initiatives such as the launch of the Google Creative Lab, the development of Google's in-house branding studio, the expansion of Zeitgeist, the launch of Google+ … and the list goes on and on.

We scan the marketplace to identify brands and leaders who are doing innovative work in marketing overall, but digital marketing in particular. In marketing, no matter what the medium, we look for professionals who truly get the consumers and can turn user insights into ideas that work in today's world. Potential employees come to us from a wide range of sources. We have a fabulous internal network, and this serves as a base for many employee referral-based hires. We also partner with universities to attract top talent.

**LARIU** (on nurturing talent): I'll give you a couple of examples of what we do at SheSays to support women in digital marketing. A woman named Suzana Apelbaum reached out to us a few years ago. She had always wanted to expand her horizons and work outside of Brazil where she been with a number of agencies such as JWT, AgênciaClick and Africa. She wanted it so badly that she resigned a post of CCO at Hello São Paulo to completely rebuild her career in a foreign country.

Our community is determined to change the ratio when it comes to women in the upper ranks of marketing and advertising. The skills and leadership style of women have been overlooked and undervalued.

At SheSays, we like helping out "the 3%." In case you didn't know, that's the percentage of female creative directors in the industry.

~ Alessandra Lariu At SheSays, we like helping out "the 3%." In case you didn't know, that's the percentage of female creative directors in the industry. Through networking and mentorship opportunities at SheSays, Suzana is now an ECD at Anomaly New York, one of the best agencies in the world. She was also elected World's Most Influential Female Creative Director by AdWomen in 2010.

SheSays' focus extends beyond just the creative department. A woman named Amanda Jaskiewicz also came to us. She was a more traditional account manager who saw a huge opportunity in digital through SheSays events. She garnered the courage, knowledge and insights from the SheSays community to secure a role as Group Account Director at Dare Digital—named Agency of the Decade in the UK. A couple of years and a few awards later, she decided to give it back to the community and is now director of career management at SheSays New York.

### Bridging the Gender Divide

**Q**: A few years ago, you (Alessandra Lariu) and your partner Laura Bambach founded SheSays because you felt talented women were not getting the support they needed from their employers to advance in digital marketing. What can be done—and what are you doing—to address this problem?

**LARIU:** We founded SheSays not to bemoan the fact that women weren't getting the support they needed, but to do something about it—as you can see from the examples I just mentioned. In 2011, we helped around 2000 women in 14 cities around the world. And we did it with almost no money, just the passionate support of our members.

We help these women through monthly events worldwide, our "who's your momma" mentorship program, as well as our career management offerings and courses. Our results highlight the true power of a support network dedicated to helping careers. Clearly, companies are not doing this well. Otherwise, their employees wouldn't be flocking to us.

It also highlights the determination of our community to change the ratio when it comes to women in the upper ranks of marketing and advertising. And before the XY chromosomes among you start to get a bit fidgety, we focus on women because their skills and leadership style have been overlooked and undervalued. Not because we hate men.

### Creating Loyalty and Orchestrating Organizational Change

### Q: What do you do to create loyalty and retain top talent?

**WALSH:** We empower our employees. When you own and have the ability to grow something, it creates loyalty to the work, the team and the organization. We make Google a place to be proud of and we do the right thing for our end users. That allows us to have pride in what we do, and it creates an environment where people want to work. In addition to the work, we offer our employees great benefits, compensation, flexibility, and—most importantly—the opportunity to continue to grow in their careers. We work hard to create an environment where employees can explore opportunities within their specific functions and participate in testing of new products, as well as take advantage of opportunities with external philanthropic organizations. We encourage individuals to find what inspires them, and then we find ways to support those initiatives. Having worked in many organizations, I believe this is something Google does really well.

When you own and have the ability to grow something, it creates loyalty to the work, the team and the organization. ~ Laurel Walsh Q. Adobe has just gone through a far-reaching restructuring process that impacted the entire company—including the marketing organization. As head of Adobe's integrated marketing efforts worldwide, what advice would you give other CMOs going through a similar process and how have you led your team through this?

**LEWNES:** Successfully navigating change starts with thinking big. A team is more apt to embrace change and meet the challenges that come with it if it sees the payoff as big, bold and worth chasing. My boss has told me that I'm a flag-planter (not a road-builder) in that I see the future and I try to get people rallied around it. That means showing them where you want to go, explaining the benefits and rewarding them when you get there, all while giving them the space they need to get the job done. I'm not afraid of change. In fact, I'm very motivated by it. And the most successful organizations can draw energy from embracing change, taking smart risks and building a "big picture" view of what change can bring.

### Planning for the Future of Marketing

Q. New technologies for finding information, interacting with others and engaging with brands have introduced—and will continue to introduce—a dizzying array of new material into the hands of consumers. What is your "future vision" for how your marketing organization will evolve in the coming years given these trends, and what advice might you offer to brands who are struggling to navigate this new reality?

**LEWNES:** The central goals of marketing won't change: build a strong brand and drive demand. And creativity will remain at the core of our craft. But marketing and marketing organizations are certainly getting more complex. The good news is that marketers have more tools—to enhance creativity and make sense of complexity—at their fingertips than ever before. My best advice would be: Don't be afraid to encourage your teams to experiment, take some smart risks, and measure everything. Today, marketers can segment their audiences and collect data in ways that simply weren't possible before—allowing them to quickly measure what's working and what isn't, iterate and improve marketing effectiveness. Marketing teams should view the explosion of channels, data and technology as an opportunity, not an obstacle.

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# with Marc Speichert



### The Art of Change Management

### **BUETTNER:** What was the impetus for the transformation of your digital marketing team?

### SPEICHERT: "Driving synergies and accelerating innovation."

We wanted to accomplish two very simple things. First, we wanted to drive synergies across the 23 brands in the L'Oreal USA portfolio and secondly we wanted to accelerate the pace of innovation at the company. Traditionally, we've been very good at innovation at the product level, but we wanted to look at innovation in a broader sense of the term—specifically as it related to media and digital.

### **BUETTNER:** Can you share some of the thinking / strategy that went into the creation of this new organization?

SPEICHERT: "Creating a holistic view of the consumer across all channels and brand."

When I started at L'Oreal USA, there was really no overarching CMO or digital marketing organization at the corporate level. What was truly exciting was creating it from scratch.

We structured it around three key areas:

**1)** A Centralized Insights and Market Research Team. Now, wherever you are within the organization, you have access to the same rich market research and consumer insights to help spark big ideas.

**2)** *Digital Media.* Stronger integration of media practices across L'Oreal USA has led to agency consolidation, greater buying efficiencies and broader, more innovative partnerships with key players.

**3)** Business Development. To drive innovation and help the organization prepare for the future. As part of this focus, we created an incubation fund that we call the "Next Fund" to help brands experiment and share learnings across the portfolio.

Marc Speichert, CMO, L'Oreal USA



Chris Buettner, Managing Editor, The SoDA Report

Marc Speichert joined L'Oréal USA in the *newly-created role* of Chief Marketing Officer in April 2010. Reporting directly to L'Oréal USÁ CEO, Frédéric Rozé, Marc is responsible for driving and enhancing innovation throughout L'Oréal USA's four Divisions. These Divisions include Consumer Products (mass), Luxury Products (prestige), Professional Products (salons), and Active Cosmetics (dermatologist offices, medi-spas). In his role, Marc is also responsible for Corporate Strategic Marketing, Media & Digital, as well as Consumer Market Intelligence.

Several brands jumped on the bandwagon with the organizational changes and others were hesitant. But as they saw their sister brands launching great experiments, it created a snowball effect after a few months.

**BUETTNER:** What challenges did you face in transforming (or actually creating) a digital marketing team over dozens of brands to spur leadership in the category and innovation?

### **SPEICHERT:** "Some brands jumped on the bandwagon; others were hesitant."

L'Oreal has always been organized by brands and divisions and that's not going to change. What we had to do was showcase the added value of an overarching / transversal layer to the marketing organization. Real collaboration with the brands was crucial so that initiatives weren't perceived as being forced from the top.

Even before I created the corporate team, I made sure we were leveraging the digital expertise that existed at the brand level. In fact, given the relatively small size of the corporate team, I still have what I call our "digital tribe," with members from all divisions who assist with specific initiatives.

It was important to acknowledge that there was already a great deal of experimentation taking place. In fact, with the Next Fund, some of the brands were able to get money back from the corporate fund—provided they were open to sharing learnings with the other 22 brands.

Several brands jumped on the bandwagon and others were hesitant. But as they saw their sister brands launching great experiments, it created a snowball effect after a few months.

### **BUETTNER:** From a pure talent recruitment standpoint, what was your strategy for assembling the corporate digital team?

### **SPEICHERT:** "A combination of internal and external recruiting."

To bring immediate credibility to the team, I chose two different tactics. For the innovation team, we brought someone over internally from L'Oreal's Salon Division. She knows the company inside out, knows digital extremely well, has amazing relationship skills and is a great champion for the whole innovation project. Her inspirational leadership traits helped us quickly get people (and brands) behind the initiative. From a media perspective, I decided to hire someone from the outside who came from the agency side. She was able to bring a lot of great new tools to the table—developing a KPI process and establishing a new approach to negotiating rate cards, for example.

### **BUETTNER:** How are you cultivating and retaining the best digital talent?

#### SPEICHERT: "Creating an environment of perpetual learning—top to bottom."

Many of our people are being recruited to other companies, but—knock on wood we've been successful in keeping our people within the organization. I think one of the reasons is that we strive to make sure our people stay in a perpetual learning mode. We avoid putting people into overspecialized roles, allowing them to touch multiple areas of digital, so that they don't feel like they're being pigeon-holed and missing out on further development possibilities.

We also focus on executive education, as there is nothing more frustrating for digital thought leaders than to deal with decision-makers who either don't understand what they're talking about or who are reluctant to try new things because they're unfamiliar with them.

We have big events—like Digital Days—where everyone comes together around a certain theme, partner or innovation area. We also have an executive mentoring

We focus on executive education, as there is nothing more frustrating for digital thought leaders than to deal with decision-makers who either don't understand what they're talking about or who are reluctant to try new things because they're unfamiliar with them.

program, embedding a digital expert within the executive's team so that he or she can ask whatever questions—even very basic ones—in order to raise their digital marketing knowledge.

### **BUETTNER:** What other results have stemmed from this transformation?

#### SPEICHERT: "Projects co-developed with the likes of Apple, Microsoft and Google."

After analyzing the online media plans of our 23 brands, we saw that our spending was spread out over more than 100 sites. While still acknowledging individual brand nuances, we've worked with the teams to consolidate that spending with key partners and to better leverage our scale. We've also started to develop business plans jointly with companies like Apple, Facebook, Microsoft and Google. There are some really exciting projects in development that you will see very soon.

### **BUETTNER:** So what's next?

#### **SPEICHERT:** "Partnering with more companies created by women for women."

We want to continue identifying up-and-coming companies in digital marketing to partner with—particularly business created by women, given L'Oreal's product focus. For the Next Fund initiative, we met with 89 companies which resulted in 22 pilot projects in 2011—very few of which were created by women for women, which is something we want to change.

#### **BUETTNER:** What do you enjoy most about L'Oreal?

**SPEICHERT:** "Its entrepreneurial fabric."

It's not solely an efficiency-driven company. You are recognized and encouraged to bring new ideas to the table. Having the ability to start with a white piece of paper and create your organization is an exciting adventure.

People move between client work and internal businesses. While technology and creative resources are shared, I've learned that it's important to hire dedicated businesses development for the agency, as well as operations people to grow our internal ideas.

### **Related Research Insights**

### HELP WANTED!

The Top 10 Most Difficult Digital Marketing Professionals to Recruit

### The Top 10 Most Difficult Marketing Professionals to Recruit

- 1. Executive Creative Director
- 2. Partners / CEOs / Managing Directors
- 3. Chief Technology Officer
- 4. Strategist / Planner
- 5. Director of Technology
- 6. User Experience Designer
- 7. Mobile Developer
- 8. Creative Director
- 9. Account Director
- 10. Chief Sales/Marketing Officer

Q. How difficult do you find it to recruit into specific digital marketing roles?



PEOPLE POWER

### **Related Research Insights**

### **Retaining High-Value Digital Marketing Professionals**

No Simple Remedy, but Certain Themes Rise to the Surface



**Q.** What has proven to most effective in retaining high-value employees focused on digital marketing initiatives?

# Section Five **Tech**

Talk

A Guide in the Digital Forest OPINION by Shawn Clarke, Domani Studios

Experts Talk Analytics INTERVIEW moderated by Irina Sheveleva, Editor, GRAPE digital agency

Why You Should Fear Patent Trolls OPINION by Brad Gross, Attorney, SoDA General Counsel

Measuring ROI ARTICLE by Joe Olsen, Phenomblue

Related Research Insights

## SÖDA REPORT

### OPINION

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# A Guide in the Digital Forest



By: Shawn Clarke, General Manager, Domani Studios

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Shawn Clarke currently serves as the General Manager of Domani Studios. With over 14 years of *experience in IT and* web development, Shawn leads teams building rich internet applications across computer, mobile and out-of-home platforms. Shawn is trained as a musician and is *passionate about* using technology to enhance communication and shared experiences.

The work of the digital agency has been changing almost as fast as the consumer technology on which it is based. It may be obvious, but it is worth stating: our work product has changed dramatically due not just to the advent of the smartphone, but to the pervasiveness of mobile connectivity. It's more than mobile internet. We now do things on our mobile devices we don't do often or at all on a computer.

Check-ins on Foursquare, Facebook or Yelp? Looking up a bar/coffee shop/restaurant because you have 20 minutes to kill before a meeting. In 2011, 40% of all tweets came from mobile devices. And that statistic doesn't include those viewing tweets on a mobile device (http://mashable.com/2011/01/07/40-of-all-tweets-come-from-mobile). The quick, immediate and ephemeral nature of these platforms lend themselves to wider use when on the run or waiting in line at the supermarket.

Two years ago, we at Domani Studios were regularly hiring Flash developers. With a little experience, a Flash developer could make a good living building online ad units, or banners. Now, it's all different. I don't have enough work for a candidate with only Flash skills. I need someone who can do banners on Monday, HTML/CSS Tue-Wed, and some jquery the rest of the week, while knocking out an old-school HTML email before the weekend. Hybrid skills are critical, as is a developer with an eye for design. Just to make something work isn't good enough. You need to make it work and look amazing. You also need to make it work everywhere someone may encounter it. That means mobile and tablets in addition to the browser/OS differences of yore.

The reason for this is that advertisements now live across myriad platforms: iAds and sponsored Tweets are becoming more prominent in media plans, alongside traditional online ad units (although it's funny to call something that didn't exist 15 years ago "traditional"). In addition to meeting the challenge of these new platforms, agencies have smartly expanded beyond digital campaigns to creating products. Much of what we do is now software development, and the better digital agencies could easily be mistaken for software companies. Just look at the award-winning work of the past couple years:

- AKQA was named Digital Agency of the Year by Advertising Age for its work on the Heineken Star Player game, an application that leverages the Facebook platform across smartphone, tablet and computer interfaces.
- And as readily apparent in the <u>Case Study section</u>, SoDA member companies are creating a wide range of innovative products and platforms for blue-chip brands that span every screen imaginable.

While budgets continue to move from broadcast to digital, in most cases they don't allow for a client to create a custom experience on every platform. Most clients lack the budget and time needed to make a custom experience for every kind of device that might connect to their message. As we expand our services, marketing and product strategy have become increasingly important. Our clients want to find the right place in the digital space.

While budgets continue to move from broadcast to digital, in most cases they don't allow for a client to create a custom experience on every platform. Only the largest most mass-market campaigns could or should afford custom apps on iOS and Android, Facebook, Twitter, YouTube and standalone web. Our value to the client lies in guiding them through the possibilities, much like we did in the late 90s with websites and the differences between IE/Netscape, Windows and Macintosh.

In fact, we have in some ways entered a parallel context to those old browser wars. Now it's mobile Safari/Android, IE, Firefox, Chrome and Safari. And that Flash animator of previous years must now expand to animation techniques predicated in HTML5, or perhaps move entirely over to Objective-C programming for iOS apps.

With this skillset in house, it's not a great leap toward product development and creating a product like Twitter or Foursquare. In fact, some in our industry have asked <u>this question</u>.

Whether driven by creative concerns or business development, the digital agency has become a guide through the landscape, curating the options for the client. Our services and skillsets are becoming more like software development, as pure "web applications" become simply "apps," regardless of platform.

The digital agency has the unique opportunity to take deep knowledge of the client's brand and marketing strategy, and connect it with the technical knowledge of software development and interchangeable data. Software and technology will continue to be a key environment on which agencies will determine their services and the value they provide to clients and brands.

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MODERATOR/ Irina Sheveleva, Editor, Grape Digital Agency, Russia

EXPERTS/ JD Nyland, Director Product Management, Adobe Digital Marketing

> Phil Mui, Group Product Manager, Google Analytics

Damian Roskill, Managing Director, Marketing Compete Inc.







with JD Nyland, Phil Mui, and Damian Roskill

SoDA recruited industry experts from Adobe, Google Analytics and Compete, and probed them on measuring best practices, common mistakes made by marketers, social media monitoring tools, and predictions on product developments for 2012. Here are the highlights from the panel discussion.

### **Experts Talk Analytics**

### **Q**: How are companies like yours working to define best practices for measurement and analytics in the digital marketing industry?

### NYLAND: "Bringing IT and marketing closer."

At Adobe, we work directly with our clients to define best practices. Literally we sit right there on site and help them set the standards from predictive analytics to advanced attribution. We also look to use analytics data to drive content optimization and to create a personalized user experience as part of those best practices. We try to rally all sectors and get everyone on the same page. All companies should begin to build standards for measurement and benchmarking. First, you need to break through the barriers that exist at organizational levels—for example, bring IT and marketing closer.

#### MUI: "Bringing advanced analytics techniques to the masses."

We at Google see Fortune 500 companies as well as mom-and-pop shops, and we are seeing many markets struggle to try to understand what digital measurement means. Currently, most web analytics products are relegated to IT departments. There are powerful tools out there, but what people actually need are tools that are easy to use and intuitive, that make data readily accessible and understandable so that business leaders can use it to make decisions. Our approach is to build a product that not only is useful for the analysts, but one from which even a line manager, CEO or accounting person is able to gain actionable insights.

#### **ROSKILL:** "Working with the big three advertising associations."

We are working closely with the big three industry corporations who are setting standards: the Media Research Center (MRC), the Advertising Research Foundation (ARF) and the Internet Advertising Bureau (IAB). I really think that the big opportunity is getting everybody on the same page. Right now there is just a totally different set of standards when you talk to somebody about buying TV. It's a very different proposition from buying online and that goes all the way through to measurement and analytics. So, we're working across all three of these groups to try to define the best practices around digital measurement and digital analytics.
What people actually need are tools that are easy to use and intuitive, that can help the business leader use the data in a readily accessible fashion to make decisions.

## **Q**: What are some of the most common mistakes agencies and brand marketers make on the measurement and analytics front (or areas that are not being fully leveraged)?

**NYLAND:** *"Lack of alignment between the business goals and their implementation."* When implementation is not aligned with business goals, the company struggles to find insights that allow it to maximize its marketing effort. Another common mistake is delivering insights to executives from multiple analytic solutions and not having a single source of the truth. So what often happens is that it causes confusion and questions around the integrity of the data because you have two different numbers and so the ending result is that marketers waste a lot of time investigating and defending these data points instead of actually optimizing the business and trying to maximize the return on the marketing spend.

#### MUI: "Think beyond the tool."

I think the biggest mistake we see is that marketers think only about the tools when they hear about analytics. Businesspeople shouldn't only be considering what collection of tools they should be buying or building. Instead, they should be thinking about the best way to bring data-driven decision-making to data consumers everywhere in the company—not just to the analysts.

It is important to set goals first, then measure. Using benchmarks could be useful when setting goals; however, remember that measuring yourself against the average does not lead you to being the best. Find your own way to be the best.

#### **ROSKILL:** "Focus on the KPI framework first."

What we tend to see is something I call tunnel vision, particularly with respect to display advertising. They're often judging performance on a small set of key performance indicators (KPIs), such as clickthrough rate (CTR). What our research has found is that display advertising has huge impacts on other aspects of the sales funnel that is very difficult to measure if you're just judging it on something like CTRs. So what you need to do is expand beyond that short-sighted view and start to focus on other KPIs such as the impact of display efforts on things like favorability and purchase intent.

## **Q**. What are your thoughts on the onslaught of social media monitoring tools, how they're evolving and their value from a core analytics product/service perspective?

**NYLAND:** "Social buzz without impact is just really a bunch of birds talking on a wire." Social media monitoring tools are more of a warning system. What they can't offer is an explanation of how social is actually impacting a brand's business, so they give you the buzz, but they really don't give you the results. Right now, there is a huge gap between data and insights, and between insights and action. Marketers need to be leveraging social media as a media channel, which is why we integrated it with our Digital Marketing Suite.

#### MUI: "Social media tools give you the buzz, but not the goods."

The blossoming of all kinds of monitoring tools out there highlights the kind of excitement people have around social media. But there are so many tools (and so many methodologies) that nobody knows the right way to measure anything. The best social media analytics tools will be the ones that are directly tied to business efforts and ROI.

A common mistake is delivering insights to executives from multiple analytic solutions and not having a single source for the truth.

#### **ROSKILL:** "There are a million tools out there, but not a lot of value."

A lot of these tools focus on social management, so they are useful for managing the Facebook, Google Plus and Twitter pages for a brand or for lots of different brands, but when they have an analytics component built in, then it gets interesting to me. I think we'll see a great reduction in the number of social media listening tools in the next two years. There are a million tools out there, so I have no doubts that there is going to be a consolidation.

## **Q**. What have been some of the most exciting developments in analytics over the past 12 months, and what types of analytics platforms/tools do you believe are missing in the marketplace as we enter 2012?

#### NYLAND: "2012 will be the year to advance digital literacy."

With the number of mobile devices and social channels that are out there, customers are engaging with content in ways that they really never had before, so the value of being able to analyze that customer interaction increases when you can understand how mobile and social impacts affects the web and vice versa. To be able to understand that complete view of the customer across all those multiple devices is very critical. It's not about web analytics anymore. It's really about providing a 360-degree view of your customers and how they interact with your content and your business across a wide range of devices and channels on their way to conversion.

**MUI:** *"2012 will be a watershed year, when we move beyond single-session analysis."* In many ways we in the web analytics industry are addicted to session-level analysis. Our favorite metrics are all session-based: conversion rate, bounce rate, average time on site, CTR, etc.

Let me give you an example of how single-session-level analysis is sub-optimal: I can easily double any website's conversion rate overnight by dropping its prices to zero. Now, is that the right thing for the business to do? No, it's not, so why is it good to optimize a campaign based on optimizing conversion rate? We need to think beyond the conversion rates—or conversion generally—and more about the lifetime value of customers. 2012 will be a critical year, when we'll start to see tools that will try to bring the industry beyond single-level analysis into pan-session or visitor-level analysis.

#### **ROSKILL:** "2012 is the year to connect multiple data sources."

Social media integration is almost here. Video measurement through a unified framework for both TV and web is key, as is connecting multiple data sources into one simple valuable picture. Major brands are asking us about connecting multiple data sources together to provide a total picture. Many of our biggest customers simply don't have a direct channel to the end customer. There is a clear need to merge data sources together in order to get that total picture.

Click here to listen to the detailed discussion.

#### ARTICLE

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## Why You Should Fear Patent Trolls



By: Brad Gross, Attorney at Law, SoDA General Counsel

Society of Digital Agencies

Brad Gross is an Intellectual Property and Technology Law attorney in Fort Lauderdale, Florida. He represents digital agencies, production and new media companies across the United States, and also serves as SoDA's general counsel. An avid and sought-after speaker and author, Brad lectures nationwide on legal matters involving technology development, licensing, product branding and intellectual property transactions.

Patent trolls are a growing phenomenon that threatens to undermine the viability of creative and production companies of all sorts and sizes. The trolls enjoy a unique but peculiar existence: they wield tremendous power in the form of intimidation and fear, yet they produce nothing. So, how did we get here? Who are these patent trolls, and what can be done to stop them?

First, some history. The term "patent troll" isn't defined by statute or by case law. It's a pejorative term which appeared as early as 1994 in a video called "The Patents Video." The video told the tale of an unsuspecting victim who was forced to deal with a patent owner—portrayed as a troll-type figure dressed in green makeup with a green wig—who demanded patent licensing revenue (you can view a portion of The Patents Video on YouTube—http://www.youtube.com/watch?v=IOGoZFzHkhs).

Patent trolls scan the marketplace for companies using the same (or similar) technologies covered by the troll's patent portfolio. At that point, they either file litigation against the targeted companies, or send cease-and-desist letters to the companies, demanding payment of (sometimes hefty) licensing fees. Most often, the targeted companies have either heavily invested in the patented technology, or have become reliant upon the patented technology, and so a quick settlement is favored over the prospect of expensive and lengthy infringement litigation. This "seek, sue and license" paradigm has resulted in a cottage industry that produces billions of dollars in licensing revenues every year. And a huge chunk of that revenue has come at the expense of creative agencies and production companies.

Perhaps the most distressing aspect of all this is that the majority of patents held by patent trolls are unenforceable. That's right—unenforceable. In fact, according to recent statistics, more than eight out of ten patents held by patent trolls were deemed unenforceable when challenged in court (PatentFreedom.com). But given that the average cost to defend against a patent infringement lawsuit could be hundreds of thousands of dollars (even if you win!), most companies would rather settle than fight.

So what to do? Are patent trolls the "new normal"? Will the creative industry simply have to learn to accommodate patent trolls in the future?

The unfortunate truth is that the law, coupled with the current state of the economy, benefits from and encourages patent trolls to exist. Until that changes, creative and/or production companies should avoid taking on financial risks that are exponentially higher than the value of the project(s) they are working on.

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More than eight out of ten patents held by patent trolls were deemed unenforceable when challenged in court. It's simple math: a \$500,000 project simply isn't worth \$10 million in risk.

In light of this "new normal," it is appropriate—indeed, crucial—for creative and production companies to require their clients to accept their fair share of the risk of patent troll litigation. Undoubtedly, this will require a sea change in the approach taken to negotiating agreements; however, the industry can no longer shoulder the burden alone. Contract provisions that limit liability must contemplate the possibility of patent troll litigation. These provisions must be drafted to acknowledge the financial risk/reward of the companies that undertake the creation or production of content.

It's time to share the risk. It's the only way to ensure that companies will be able to continue to create and produce cutting-edge content at affordable rates. >

#### ARTICLE

tech talk P 77

# **Measuring Digital ROI**



PHENOMBLUE<sup>®</sup>

By: Joe Olsen, CEO, Phenomblue

Joe Olsen is the CEO of Phenomblue, a leading interactive brand experience agency of strategists, designers, and engineers using technology to connect people and brands. Since 2004, Phenomblue has been helping brands digitally engage their audiences effectively and profitably.

#### Agencies in the digital and interactive space sometimes receive a bad rap because so many simply don't focus on analytics or have created misleading ROI formulas.

#### Predicting ROI when Planning Digital Campaigns

Agencies in the digital and interactive space sometimes receive a bad rap because so many simply don't focus on analytics or have created misleading ROI formulas. For instance, "likes" on Facebook are just the start of creating a compelling connection with consumers. Instead, many brands treat their projected number of "likes" as the end goal.

The real question is what to do with those "likes" and why is it a good use of marketing dollars to generate them? For most clients, they look to "likes" as leads, either as direct conduits for conversation and influence or as direct marketing targets, similar to adding emails to a database. An example would be a brand wanting "likes" in order to have a soft intro for their next offer.

As successful digital marketing and advertising continues to become more costly, telling a brand with a straight face that you're spending dollars on pure awareness without defined ROI or bottom line impact is extremely dangerous. CMOs are getting savvier in digital, and as a result transparent ROI models are becoming standard issue in pitches.

#### Tracking Effectiveness over the Course of the Campaign

It's important to support a process that allows for ongoing updates and responses to realtime analysis of what's really happening. From the start of a project, identify the key metrics for success and stick to them. It's important that the client is engaged with that data on an ongoing basis so they can interpret the numbers and be part of the solution. That's where a lot of agencies fail, in that they feel like the client needs to think they know it all.

Phenomblue has had the best success creating metrics by mashing up third party tools with custom in-house tracking and serving those to the client transparently within the context of a business goal.

For instance, when creating a display campaign that drives users to an experience that has several steps culminating in an opt-in, clients may only track the click-through from the banner and the opt-in. We would create tracking mechanisms at each decision point in the process in order to show the client what's working and what's not within the context of the entire goal.

This way we can address ups or downs with solutions as we're analyzing the entire process. It keeps everyone focused on the goals instead of the metrics within. See the forest, not the trees.

The real question is what to do with those "likes" and why is it a good use of marketing dollars to generate them?

#### A Few Best Practices to Boost Campaign Effectiveness

Campaigns should always have an analytic engine implemented, like Google Analytics. It's key to ensure your success metrics can be backed by a third party analytic system.

As I mentioned before, it's also imperative that the client have full visibility into realtime data. Getting clients involved in the assessment of success metrics is pivotal to maintaining a true partnership. It's these metrics and the constant analysis and reaction to them that is fundamental for boosting any campaign's effectiveness.

All metrics are really dynamic in nature within the digital space. In most instances you're relying on the media partner to curate the ongoing results of a campaign, but you can still create triggers that track data within your own systems for real-time analysis and forecasting.

It's extremely important to break down every major analytic to the finer triggers or tracking points. Rash decisions can be averted by the analysis of multiple indicators as opposed to one big bad number. Again, the agency should be proactively watching this as well. Consider using alerts, as well as scheduled spot checks, to track dramatic changes to your most important key performance indicators.

TECH TALK

P 79

## **Related Research Insights**

#### THE TECHNOLOGIES DIGITAL MARKETERS ARE MOST EXCITED ABOUT

Mobile and experiential technologies are at the top of the list.



- Intrigued
- Neutral



**Q.** Of the technology trends that are currently or soon to be available, which are you most excited about for your marketing efforts?



P 80 TECH TALK

#### WHAT'S THE FAX MACHINE OF DIGITAL MARKETING?

Things digital marketing leaders say should be dead, but aren't.





P 81 tech talk

## **Related Research Insights**

#### TRACKING THE IMPACT OF DIGITAL MARKETING

Sales still reign supreme, but the discoverability of content via search, social analytics and social listening/conversation analysis are all rising in importance.



- Some Effect
- No Effect

No Effect						
Sales data		55%		33%		12%
Digital campaign performance reporting		55%		34%		11%
Website reporting		52%		37%		10%
Search reporting		51%		38%		11%
Integrated campaign reporting (all media types)		40%		42%		18%
Social analytics		40%		<b>42</b> %		19%
Listening audits/conversation analysis		33%		45%		23%
Mobile site/ app. reporting		33%		51%		17%
Tools that measure internet and digital media audiences		33%		47%		21%
Online branding studies		32%		<b>43</b> %		25%
Tools that track your competitors' traditional marketing activity		31%		45%		25%
Tools that track your competitors' digital marketing activity		29%		49%		22%
Homescan programs		21%		39%		40%
	0%	20%	40%	60%	80%	1009

**Q.** What effect have the following sources of information had on your business strategy in the last 12 months?



## **Section Six**

# Case Studies

## SODA REPORT



#### Album Launch/ Rihanna/ AgencyNet

by Alex Morrison, AgencyNet



#### Ignite social frenzy leading up to album launch.

Working with longstanding client Universal Music Group (UMG), AgencyNet launched Rihanna's latest album—"Talk That Talk"—in a new and unorthodox way. Applying game mechanics, the agency created the Rihanna: UNLOCKED campaign on Facebook – the only destination to unlock fresh exclusives from Rihanna's upcoming album.

Social influencers and Rihanna's fans were hooked from Day 1. They worked in tandem around the world to unlock multiple "missions" across different time zones. Within days of launch, media outlets were buzzing about Rihanna: UNLOCKED pushing music and digital boundaries alike.

The campaign is now a case study for social gaming, featured on Billboard and Mashable.

http://www.facebook.com/rihanna?sk=app\_246539032049610



by Chris Mathews, Big Spaceship



#### Enable developers and marketers to discover Google's portfolio of tools and products more easily.

Google's portfolio of products is so diverse that many marketers and developers never discover all of the valuable tools available to them. "What Do You Love?" changed that by aggregating Google's portfolio into an interactive platform. The metasearch tool invites users to learn something new about their favorite topic through first-hand experience with Google's broad range of products.

With just one query, the platform returns results from products across the Google universe and exposes people to all the different tools that can help them find the things they love.

The site averaged 1,000 search terms queried per second in its first week.

http://www.wdyl.com/







## Occupy the Web/BDW

by David Slayden, ED Boulder Digital Works

Create a communication platform to provide broad, real-time coverage of the Occupy Wall Street movement as a counterpoint to its myopic portrayal by mainstream media.



Within a few days of Occupy Wall Street's first gathering, what started as one man's demonstration quickly grew into an international movement against corporate greed. As each new photo, tweet, blog post and 99% declaration made its way to the Internet, momentum built for actual change to take place.

The problem: America was largely in the blind as to what was going on due to the

lack of coverage and mis-characterization of the protesters as disorganized and unfocused fringe by mainstream media.

Occupy was comprised of real people with real stories to tell about the problems of the U.S. financial industry and the government's lack of concern for its citizens. When mainstream media coverage proved inadequate and biased, BDW tapped into the power of digital, mobile and social to provide full coverage in real time.

Information is a powerful tool. People form opinions and make decisions based on the facts they have at hand. A dedicated team at BDW decided to present America with as much information as it could handle through a transparent, real-time news aggregator focused on the Occupy Wall Street movement. From Twitter feeds, to foursquare check-ins, to live video—occupationalist.org shed light on a movement that sought to change 99% of everything and give voice to U.S. citizens.

#### About BDW

BDW is a post-digital studio in the ATLAS Institute at the University of Colorado, Boulder. It is what happens when a university thinks and acts like a startup, using agile methodologies and lean startup principles to develop creative uses of technology that bridge physical and digital environments. BDW's mission is to produce people, projects, and solutions for the 21st-century creative industries.

In just two weeks, Occupationalist.org received thousands of visits and coverage on Egotist, Mashable and numerous other blogs as well as in The Economist. The initiative served to demystify Occupy and to democratize access to information about its goals and objectives.

www.occupationalist.org





## Sensations that Inspire/ Halls (Kraft Foods)/CUBOCC

by Rodrigo Toledo, CUBOCC

Invite participation with a CPG brand in a low involvement category via a mix of innovative branded entertainment and a forward-thinking community management strategy.



For the "Halls Flavor That Inspires" campaign in Brazil, digital agency CUBOCC, part of Interpublic Group, was tapped to engage a Brazilian audience with the Halls brand on broadcast television and through social media.

Rather than trying to inspire the target (young Brazilian adults 17-24) through a contrived campaign execution, the agency wanted to make them feel inspired through a broader brand activation platform.

They orchestrated an effort to provoke the sensation of being inspired.

CUBOCC created the Halls Brazil Facebook page and a four-part rich media movie series that Halls released over the course of four weeks on Facebook mixing adventure, romance and real conflicts. The breakthrough series was created to evoke the feeling that the user was part of the narrative.

To further draw attention to the movie series, Halls conducted a giveaway sweepstakes where fans could win memorable objects from the movie, including bicycles, R\$50,000 in gold bars (≈US\$30,000) and a 1975 Ford Maverick.

The Halls Brazil Facebook page reached 824,000 "likes," growing faster than any other Facebook page in Brazil during the same time period.

The brand's social following continues to grow (at 1.3 MM likes and counting) by continuing to invite participation from young Brazilians and offering rich branded content that reinforces the brand essence.

http://www.facebook.com/#!/HallsBrasil



"The Monster Whatever Hotshop"



#### Product Launch/ Sony Ericsson/ Dare

by Sandy Fleischer, Dare North America

#### New UX Heights/ Blue Angels/ EffectiveUI

by Tim Wood, EffectiveUI





Develop entertaining branded content to combat weak product/brand recognition in the U.S. market for key product launch.

To help launch the Sony Ericsson Xperia X10 smartphone in the US, Dare created a series of films featuring focus groups at the fictitious Product Testing Institute. Six groups, including seniors, toddlers, models, guidos, surfer dudes and glam rockers were given the new Xperia X10 to test. The agency secretly filmed every random comment, technology fail and look of Xperia X10 envy. Within three weeks of launch over two million people had watched the videos online. Over half of these were from Facebook referrals, which meant the videos were truly going viral.

#### Over two million views in less than three weeks.

Models - http://youtu.be/p2AP3VMAkpA Glam Rockers - http://youtu.be/J9qN2gPoJS4 Toddlers - http://youtu.be/vcaNkuQhEis Guidos - http://youtu.be/vcaNkuQhEis Surfer Dudes - http://youtu.be/6hsov0jRvrU Seniors - http://youtu.be/reEOSt9Qhgo



Give viewers unique and unprecedented perspectives on the world of the elite Blue Angels demonstration team

The U.S. Navy Blue Angels collaborated with Microsoft and EffectiveUI to create a powerful online experience that captures the intensity and precision of this elite squadron. Now through a combination of HTML5 and Microsoft Silverlight, far more can witness their thrilling flight demonstrations from a perspective that, until now, has only been available to the pilots themselves. The site features interactive, high-resolution footage of the Blue Angels performing 37 different maneuvers from three different camera angles, giving viewers an inside perspective of this elite demonstration team.

The Blue Angels have reported that their visitors' average time on the site has "skyrocketed."

www.blueangels.navy.mil/





#### eCommerce/ Sears' Craftsman/ Fluid

by Stephanie Aldrete, Fluid



## Fuse content, community and creativity to drive commerce.

From exclusive features and behindthe scenes content to DIY projects and how-to videos, Torque gives DIY enthusiasts and professionals everything they need from the brand they trust most to get the job done: Craftsman. Social media streams are universally accessible throughout the Craftsman Torque app, giving every interaction a potential multiplier effect.

On the UX and visual design side, Fluid began prototyping very early on in the creative process, allowing the Craftsman team to immediately see how both look/feel and interactivity worked together. Fluid believes strongly that experiences like this—the ones that merge content, community and creativity in innovative ways—are the future of eCommerce and brand engagement.

Be it shopping, signing up for the Craftsman Club, engaging on Facebook/Twitter, following DIY projects, or accessing videos and articles, the content leads the way to drive engagement.

http://itunes.apple.com/app/craftsman-torque/ id473457391



#### Edutainment/ iShares/ IQ

by John Woodbridge, IQ



Demystify a complex financial service product and raise consumer awareness of a burgeoning financial player

To demystify iShares' primary investment vehicle (Exchange Traded Funds, or ETFs), IQ created a didactic video on the structure and benefits of the financial instrument comparing ETFs to flower bouquets as a simple, easy-to-understand analogy. Using the video as a focal point, the agency then created a Facebook contest to engage both Financial Advisors and independent investors, while staying within the strict rules of compliance for financial services. After watching the video, participants were encouraged to create their own analogies to explain ETFs and share them via Facebook. The winning analogy will have its own video made to help educate future investors on Exchange Traded Funds.

Within 6 weeks of the contest start, the "Creation and Redemption" video garnered three times the views of any iShares video ever produced.

http://www.iqagency.com/work/creation-and-redemption





## Brand Platform/ The Desperados / MediaMonks

by Wesley ter Haar, MediaMonks

## Spur a wave of earned media to amplify awareness of an emerging premium beer brand outside of the French market.



Much has been said about the waning prevalence of display advertising in the digital marketer's "toolkit." The Desperados Experience, created by MediaMonks, proves that there is still a strong role for immersive, engaging display efforts—particularly those that invite users into the experience in unique and compelling ways, and that spark a shared experience via social media.

YouTube takeovers have been done before, and to a very high standard. To make sure this one stood out, MediaMonks created the first takeover that utilized YouTube's existing controls with some very unexpected results. To make sure The Desperados Experience was "wall-worthy," the agency also integrated Facebook to personalize it further, resulting in a customized memento too good not to share.

The initiative became one of the biggest viral campaigns of 2011, with over a million views on YouTube before any external traffic drivers were served. The campaign reached 2 million views 2 weeks later, and is currently at 3 million and counting.

Over 3 million visits and counting, and more than a million views without any media buy.

www.youtube.com/desperados

## MEDIA MONKS



#### Projecting Spirits/ UAE Day/ Obscura Digital

by Barry Threw, Obscura Digital



#### Crafts on the Go/ Provo Craft / Rain

by Catie Tufts, Rain



Highlight the unifying spirit of the largest mosque in the UAE by inviting artists from all cultures worldwide to design for a spectacular architectural showcase.

In tribute to the United Arab Emirates' 40th Anniversary, the Sheikh Zayed Grand Mosque Illuminations Installation highlighted many of the unique details inside the largest mosque in the country. The show underscored the unifying spirit of Sheikh Zayed and his vision by inviting artists of all cultures around the world to design for this spectacular showcase of architecture. The projections drew attention to the geometry of the mosque with accentuating patterns as well as floral and Arabic motifs. Architectural detailing and lighting spectacles along with colorful organic vines scaled the four minarets, front facade and central domes of the mosque.

The installation of 44 projectors and 940k lumens total was viewed by tens of thousands during the UAE national day celebration.

http://www.obscuradigital.com/work/detail/uae-national-



Provide arts and crafts enthusiasts with a tool that allows them to create, share and fabricate extraordinary projects anywhere, anytime.

Cricut Craft Room is a powerful design tool created for users of the Cricut line of personal die-cutting machines which opens design options that weren't previously available on the hardware itself. It is both a web application and a desktop (AIR) application. It directly interfaces with any Cricut product, including Cricut Imagine which both cuts and prints. Craft Room also makes it simple to share your creations with friends and family, and opens up the option for content to be digitally purchased, something that was not available to Cricut users prior to this solution.

Over 65,000 users have created Cricut Craft Room accounts since its launch in mid-November 2011.

http://craftroom.cricut.com/





## Cause Marketing/ FlyBuys/ Reactive

by Stephen Foxworthy, Reactive

#### Leverage social media and cause marketing to engage millions of Australian loyalty program participants.



FlyBuys is the leading shopping rewards program in Australia and the fifth largest coalition loyalty program in the world.

Reactive's challenge from FlyBuys was to answer what seemed a simple question: How do you best use social media to engage with the brand's 10 million Australian cardholders?

With more than 50% of FlyBuys' members active on Facebook, Reactive wanted to get members talking to each other, instead of being talked to by the brand.

Since the inception of the FlyBuys program, members have been able to donate their points to charity partners. With Cancer Council Australia being one of the loyalty program's primary partners, it was a relevant cause to support.

Along the way, the FlyBuys wall on Facebook became a noticeboard for many heartfelt and emotional messages praising the program's support of Cancer Council and members' personal experiences with cancer, building deep affinity with the brand.

The campaign continues to run, and is now a permanent part of the program's Facebook page.

The original target of 25 million points (\$200,000) was met in just 30 days. Now 20,000+ members have donated over 35 million points, generating over \$280,000 for Cancer Council Australia and growing daily.

https://www.facebook.com/FlyBuys

## reactive



by Kris Hermansson, Resn



by Matt Griswold, Soap



Showcase the vast power of Flash as a development tool amidst a rising tide of sentiment in the marketplace that it's dated/obsolete.

In the face of ever-increasing hostilities, Threaded is an affectionate ode to the power and awesomeness of Flash. An experimental adventure in the transference of artificial intelligence to a human vessel in order for said AI to experience tactile response from real-world stimuli, for example: A nice walk along a lovely sandy beach.

To date, 75% of Threaded site traffic has been through social media referrals. An interesting figure considering the site features no sitesharing functionality.

http://www.resn.co.nz/threaded/



Showcase the robust gaming capabilities of HTML5 and invite fans of a classic arcade game to reinvent the experience.

An HTML5 game experience of endless proportions, The World's Biggest PAC-MAN offered fans around the world the chance to create and play their own PAC-MAN level. Each creation was then stitched together in an ever-expanding, continuous maze for the world to explore and enjoy together. And explore they have. With 75,000 user-created mazes and more than 2 billion PAC-DOTS consumed along the way, the site lived up to its ambitious promise. Being officially honored with the world record after only a few months, it continues to grow by the day.

1,500,000 visitors in the first three weeks.

http://worldsbiggestpacman.com/







## Smart Play/ Sifteo Cubes/ Stimulant

by Nathan Moody, Stimulant

Spark kinesthetic learning, spatial reasoning, and collaboration among young learners.



LoopLoop, an interactive music toy and sequencer, is Stimulant's contribution to the Sifteo launch portfolio of games that focus on kinesthetic learning, spatial reasoning, and collaboration. Sifteo cubes are sturdy 1.5-inch-wide devices with 1-inch screens and an amazing tactile quality. LoopLoop's visual style mimics the inferred emotional attributes of the cubes themselves: cute, minimal, quirky, with surprising complexity revealed over time. Through iteration and fine-tuning of the technical, interactive, visual, and aural aspects with a focus on doing fewer things and doing them better, LoopLoop aims to be fun, engaging, and a joy to play with.

LoopLoop was the first third-party application created by an agency for the Sifteo Cube platform. The initiative won Best in Show at the recent Interaction Design Awards.

http://stimulant.io/wp/index.php/blog/2012/01/looploop/

## stimulant



## Social Strategy/ Teva/ Terralever

by Jon Lewis, Terralever

#### Craft a brand activation platform that helps broaden public perception of a brand largely associated with a single product category.



Teva isn't merely the global leader in water shoes, they created the category. But as they broadened their product focus, public perception didn't expand with it. Most people equate Teva with sandals.

Teva needed to increase product awareness amongst loyalists while raising brand awareness with younger outdoor enthusiasts.

The social strategy started by engaging their loyal water sports athletes while quickly expanding to reach other segments like mountain bikers.

Teva's content marketing strategy called for an active Facebook ad campaign along with multiple daily Facebook postings utilizing a mix of photos, products and video each directed at a different consumer group. As the balance between frequency and segmentation was struck, Teva's fan base grew, their attrition rates remained stable, and engagement levels went through the roof.

Teva's fans in the 13 to 17 year old demographic spiked 227% while overall engagement levels with Teva posts and other Facebook content rose 35% across all segments.

http://www.facebook.com/Teva





## Social Sampling/ Aveeno/ TheFARM

by Amie Weller, TheFARM

#### Incent trial and raise awareness of a beauty brand new to the Australian market



Aveeno launched in Australia in 2009. Awareness was low and competitors had been in the market for years. TheFARM's task was to get Australian women to believe in Aveeno by building on 60 years of U.S. brand equity, emphasizing efficacy and natural credentials while establishing a category for a mass premium natural skincare offering in grocery.

The agency's objectives were to continue to drive mass awareness and trial in Australia while convincing consumers to try Aveeno by educating them on its superior efficacy as the brand that uses Active Naturals to deliver real skin benefits.

Aveeno's competitive strength was that after consumers tried it, they were highly likely to purchase and advocate for the brand among their network of family

and friends. TheFARM's aim was to run a scalable sampling campaign to turn "trialists" into loyalists, and loyalists into advocates for the brand.

First, there was a pre-seeding alpha influencer program launched with full-sized products sent to beauty enthusiasts. Recipients reviewed the product online, providing copy that was leveraged throughout the campaign. TheFARM then ran Facebook media to announce free samples on the Aveno Facebook page. Recipients were mailed sachets of moisturizer with a call-to-action to return to the page and review, along with a trackable discount coupon.

Alpha influencer testimonials raised the brand's credibility in the Australian marketplace, while the social sampling initiative prompted a 100%+ increase in Aveeno's Facebook fan base, hundreds of thousands of earned media impressions, and a wave of positive comments. Sales of Aveeno's Daily Moisturizing Lotion rose 30%, peaking during the campaign.

http://thefarmdigital.com.au/Portfolio/Show/2



## The Society of Digital Agencies

The Society of Digital Agencies (SoDA) serves as a voice for digital marketing professionals worldwide with a mission to advance the industry through Best Practices, Education, and Advocacy.

#### A Society is Founded

Miami, March 2007: 13 leading digital agency CEOs decided to meet up and have a talk about where our industry was headed. New friends were made, business problems and solutions were shared, and a society was formed. We were on a mission to advance this industry we all felt so passionate about. We made it official at SXSW in March 2008 and welcomed our founding partner, Adobe.

#### What SoDA is

SoDA is an international association of respected digital marketing leaders and entrepreneurs with a history and a vision for the future of marketing. SoDA remains an extremely selective association of the world's most preeminent companies with digital DNA. Membership includes 60 leading digital agencies and elite production companies with offices in 24 countries on five continents.

SoDA provides leadership, platforms, infrastructure, processes, and products to enable collaboration between members around education, best practices and advocacy. SoDA's Peer Collaboration Group Program, launched in 2011, now includes over 400 thought leaders from member companies sharing knowledge and best practices across 12 different disciplines. Click here for a message from SoDA's Chairman, Tony Quin.

#### SoDA Board of Directors

Tony Quin, IQ, Board Chairman Daniel Conner, StruckAxiom DJ Edgerton, Zemoga Rebecca Flavin, EffectiveUI Patrick Gardner, Perfect Fools Steve Glauberman, Enlighten Andrew Howlett, Rain Joe Olsen (alternate), Phenomblue



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# SODA REPORT