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**THE MOJO OF SOCIAL,
LOCAL, AND MOBILE**
New ANA board chair Stephen Quinn
on the next marketing revolution

MARKETING TO MILLENNIALS
Strategies for a new generation

MINING THE DEPTHS OF DIGITAL
Major breakthroughs in digital marketing



marketing — “big data” and mobile — and that they are increasingly interrelated. Marketers are keenly aware of them, of course, but within those two expansive categories are dozens of micro-trends that can play a role in how effectively marketers are able to leverage the broader ones, and that is where many of the challenges lie. Often, says Brian Wallace, vice president of strategic marketing at Samsung Telecommunications America and chair of the ANA Mobile Marketing Committee, it boils down to a choice between scale and less-meaningful interaction with customers or focus and more-meaningful interaction.

Diving into Big Data

“Digital — and by digital we mean this in the broadest sense of data, technologies, and experiences — is impacting every aspect of the marketing craft,” says John Kennedy, vice president of corporate marketing at IBM. Digital allows marketers to connect a wide range of data about customers so they can be understood as individuals, and marketers can then use that data to deliver a more personalized experience. That, in turn, provides incentive for customers to share even more data, creating a virtuous cycle of marketing. “It’s not about data capture anymore, it’s about data attraction,” he says.

There is broad consensus among brand marketers and third-party experts that data is at the center of this discussion, but data, of course, comes from many different sources and through many channels. Mark Jeffery, director of technology initiatives at the Center for Research on Technology and Innovation at the Kellogg School of Management and managing partner of the Chicago-based marketing and technology consultancy Agile Insights, argues that the very nature of big data is undergoing a structural change that is creating new opportunities for marketers.

There is an “unbelievable volume of data” being created from websites, blogs, social media, and other sources, and this torrent presents a challenge to marketers’ traditional ways of approaching data, Jeffery contends. Marketers are used to thinking in terms of structured data — questions prepared in advance, databases constructed, a logical data model designed to identify how many people purchased a specific product, for example. “But the explosion of new data out there is not just digital data, it’s unstructured data, like sentences and clickstreams,” he says. “The challenge for marketers is extending their capability to manage unstructured data along with the tremendous volumes of other data.”

The rudiments of an approach to successfully mining this new unstructured data already exist in technologies like social media analysis, but the future lies in much deeper dives and more mean-

ingful integration. “The real opportunity is if you know someone on Facebook likes golf and green energy and you also find out they’re looking to buy a car,” Jeffery explains. “You can take that data and contact them via email or a mobile device and serve up an ad for a safer Prius emphasizing trunk space for golf clubs. That is where this whole new thing is going. The best, most accurate customer data doesn’t exist inside the organization anymore. It’s on Facebook or LinkedIn, where it’s constantly updated by the users themselves.”

Jeffery did a study for the Kellogg School of 250 organizations with combined marketing spending of \$53 billion with the objective of identifying the processes that drive marketing value and ROI. The study found that less than 20 percent of organizations had a level of sophistication in their data warehousing and analytics capabilities that allowed them to track and measure the market in a way that could support the creation of highly targeted ads like his hypothetical Prius example. The study also showed that companies on the positive side of that marketing divide had better sales growth, customer equity, brand equity, and long-term shareholder equity than the 80 percent doing more traditional marketing.

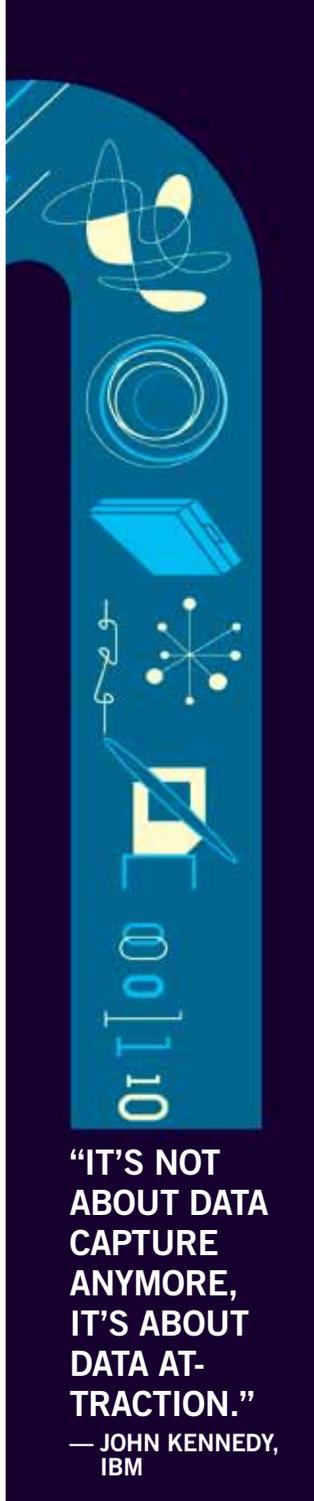
Innovation as the Secret Sauce

Samsung Mobile USA is one brand firmly planted on the right side of that marketing divide. It has singled out social CRM and mobile as representing its two greatest opportunities in digital marketing and is pursuing both aggressively. Samsung is using its data analytics capabilities very effectively in the mobile space. “We have the ability to identify when someone is using a browser on a competing product and to serve up an ad directly against that device,” Wallace explains. “If someone is using a browser on a BlackBerry, we can target them with an incentive to trade that in for a

new Samsung Galaxy S III, for example.”

On the social CRM front, Samsung Mobile USA last year decided to make an all-out push to increase its Facebook presence, with startlingly successful results. In what Wallace describes as “a strategic choice to use Facebook as our social CRM channel,” Samsung has grown from 120,000 fans to more than 12 million in less than a year, making it the fastest-growing product brand on Facebook and the number three most social brand on the world’s largest social network. It continues to add fans at the rate of about 4 million a month and expects to top 20 million by the end of this year, representing between 30 and 50 percent of its total customer base.

Samsung has driven that growth with a threefold strategy: It made its Facebook page, which had previously been somewhat difficult to find, more visible; it started including a Facebook reference



“IT’S NOT ABOUT DATA CAPTURE ANYMORE, IT’S ABOUT DATA ATTRACTION.”

— JOHN KENNEDY,
IBM

NAVIGATING THE DIGITAL MARKETING MAZE

Marketers adopt different approaches to dealing with the rapid-fire change that characterizes digital marketing trends. Here is a roundup of ideas from some big brands and outside experts who work extensively with brand marketers on all that is emerging in this space.

STICK WITH ONE STRATEGY For Brian Wallace, vice president of strategic marketing at Samsung Telecommunications America, it's about picking a strategy — in this case, social CRM — and sticking with it. “I don't know how else you survive,” he says. “If you get bogged down in every new thing that comes along, your marketing investments get watered down.”

DON'T LOSE SIGHT OF THE BIG PICTURE Elaine Lawson, director of U.S. digital marketing at MasterCard Worldwide, continually investigates new technologies but keeps her focus on the bigger picture. “Of course, we need to be integrated with any traditional marketing so there is no disconnect,” she emphasizes.

TUNE IN TO PERSONAL-PROFESSIONAL CONVERGENCE John Kennedy, vice president of corporate marketing at IBM, is attuned to the intersection of personal and professional. “The digital experiences we have in our personal lives influence our expectations in our professional lives,” he says. “So even in b-to-b marketing, professionals are going to expect the same experiences at work that they experience in their personal lives. Those marketers who figure this out first will be in a position to become fully digital brands.”

LEVERAGE MOBILE LOCATION TARGETING Dipanshu Sharma, founder and CEO of the mobile advertising network xAd, advises that marketers' ability to leverage mobile location targeting will become increasingly important to driving greater relevance and eliminating ad waste. It's also important to consider the value of both apps and the mobile web when strategizing for mobile, he adds.

CONNECT WITH THE CONNECTED Understanding the new psychology involved in mobile marketing is critical, says Robert Marcus, chairman and CEO of QuantumWave Capital. “It's not about speaking to the audience with traditional promotions but about engaging with the connected mobile audience,” he says. Marketers must involve prospects on an emotional level by providing interesting content related to — but not necessarily about — their products, and they must interact with them both directly, by soliciting feedback, and indirectly, via new mobile-oriented content.

EVALUATE CAREFULLY Rakesh Niraj, associate professor of marketing at Case Western Reserve University's Weatherhead School of Management, reminds marketers that industry-specific differences are important when evaluating digital marketing trends. “A retailer may be more concerned about generating foot traffic and completing transactions, while a CPG manufacturer is worried about brand recognition and differentiation,” he points out. Niraj also warns against the temptation to try everything that comes along just because it's new. “Do not jump after every new trend. For example, being on Pinterest is not necessary for every brand,” he says. “Think in terms of your goals first, before jumping on the bandwagon.”

—M.J.M

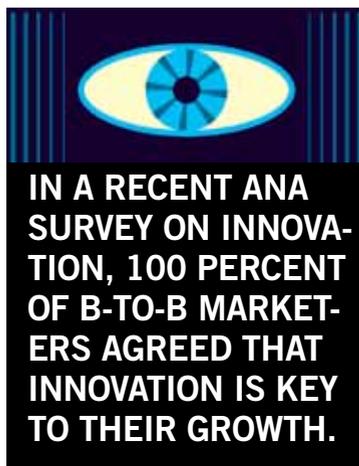
in every single piece of its marketing media in every channel; and it made the strategic positioning of its marketing more relevant to its target market. “I want to create a relationship with my customers on Facebook, not necessarily sell to them there,” Wallace says. “We are doing that, and it's working. Our Facebook fans are sharing their experience with their friends and family — it's like every one of them is wearing a Samsung t-shirt or tattoo. I see our growth on Facebook as a barometer of the overall health of our brand strategy.”

The result is “a transformative effect” on the company and its marketing. “When you have direct contact with 20 million customers, you have incredible opportunities to drive loyalty and retention programs, and that's just what we have done,” Wallace says. “We've engineered a fundamental shift in our marketing investment from a strategy heavily weighted toward acquisition to one balanced between acquisition on loyalty/retention.”

The secret sauce in Samsung's digital marketing strategy is innovation. “With all our messaging now, we want to invest only in things that have never been done before,” Wallace says, citing the company's interactive poster and kiosk campaign for the Galaxy S III as an example. A primary objective of the marketing campaign is to differentiate it from the iPhone, which locks users into a captive content delivery system. Samsung is doing that by giving away ebooks, movies, music, and other content in a very public and dramatic fashion — through 40,000 interactive posters and 50 kiosks in major cities throughout the U.S. featuring celebrities such as CeeLo Green. Galaxy S III users just touch their phones to the posters to download free content, frequently drawing crowds of interested onlookers when they do. “We are simply out-innovating our competition,” Wallace crows.

Innovation is driving digital marketing in the b-to-b space as well. In a recent ANA survey on innovation, 100 percent of b-to-b marketers agreed that innovation is key to their growth, versus 68 percent of b-to-c marketers. Eighty-nine percent of b-to-b respondents rated innovation a top priority, more than double b-to-c respondents (42 percent).

IBM, whose most valuable marketing assets are the tens of thousands of in-house experts across an enormous range of subject areas, is among those putting a premium on innovation in digital marketing. Social media created an opportunity to make those experts highly accessible to clients and prospects, Kennedy says, but matching the right expert with the right situation was a challenge. IBM's response was to develop the



Expertise Locator service, which allows IBMers to self-profile and catalogue their expertise, enabling the systematic connection of the right expert to the right customer situation across an employee population of 430,000-plus, in 170 countries. Notes Kennedy: “This is one example of the kinds of applications and digital services we are developing in our new Digital Design Lab based in New York City and run out of the marketing and communications function.”

Holy Grail of Marketing

All the lists purporting to catalogue the “most important” trends in digital marketing include a heavy sampling of mobile-related developments. But as far as Robert Marcus, chairman and CEO of Paris-based QuantumWave Capital, is concerned, “mobile presence is the holy grail of marketing.” Mobile presence is enabled by a set of emerging technologies that are user-specific, geospatially aware, self-learning, cloud-based, pervasive, visual, social, and real time, Marcus says. Fully realized, it will allow people in motion to work in concert with technology to efficiently streamline the flow of their communications, content, and commercial transactions. Its premise is that people should get meaning, not just data, from the mobile Internet.

“For advertisers, marketers, and content and service providers, mobile presence enables the distribution and consumption of information, media, and services with unprecedented relevance,” says Marcus, who spent nearly a decade at Microsoft before joining QuantumWave Capital, a global investment banking boutique specializing in early stage mobile Internet M&A. “It is a transformative moment when ads can help rather than intrusively annoy people. Ads based on mobile presence create a differentiated and hyperlocal offering.”

This trend promises marketers very precise demographic and geographic information about potential customers. “Many more firms will advertise if the opportunity is great and the risk is zero. The sharing of risk and reward by ad agencies with their clients will lead to a surge in advertising,” Marcus says.

James Riley, chief digital officer and founder of the Vancouver, B.C.-based mobile engagement marketing firm Autonomous Agency, also puts mobile at the top of the list of trends shaping digital marketing, and he points out that consumers are way ahead of brands in this area. “Our agency recently did a survey of more than 225 Fortune 500 brands and found that a large majority did not have a mobile presence,” he says. “There is a tremendous opportunity for brands to innovate and, of course, just catch up here.”

Monitoring Smaller Trends

While big data and mobile are the digital marketing trends capturing the lion’s share of marketers’ attention — and rightly so — there are numerous underlying, supporting, and enabling technologies and trends that bear watching. Among them:

- The emergence of a multiscreen world, which Riley terms “critical from a user and brand experience.” In a recent engagement with Bravo TV and Unilever, the Autonomous Agency shared Nielsen data and learned that 89 percent of television viewers are dual-screening — i.e., using laptops, tablets, or smartphones, often on social channels, while simultaneously watching TV.

- The tremendous growth of tablets, which a new Yankee Group study predicts will emerge as the primary platform for mobile ad revenue in 2014 because of their larger screens and more immersive media experience. The study sees tablets accounting for 53 percent of mobile ad dollars two years from now, rising to 60 percent in 2016.

- The integration of online and offline marketing, while hardly a new concept, becomes increasingly important in a mobile and multiscreen marketing environment. But while almost three-quarters of consumers say they want to be engaged with an integrated marketing approach, fewer than four in 10 are getting that, according to a consumer insights survey by mBuys. Nielsen research commissioned by Google found that consumers had 74 percent brand recall when the advertiser’s integrated strategy carried across mobile, TV, and online.

- Custom content creation, which is often a technological necessity since a website optimized for a computer screen does not provide the right user experience to someone accessing it on a smartphone. Moreover, as Rakesh Niraj, associate professor of marketing at Case Western Reserve University’s Weatherhead School of Management, points out, people use these devices for different purposes and are in different mindsets when accessing information on them. “Thus, the content has to suit the technology and the mindset,” he says.

Clearly, the frenetic pace of change in digital marketing technologies will continue to present challenges, both operationally and strategically, as far out as the eye can see. But given the tremendous opportunities digital represents to expand marketing’s reach and improve its targeting accuracy, brand marketers have no choice but to find ways to meet those challenges. ■

BIG DATA AND MOBILE ARE THE DIGITAL MARKETING TRENDS CAPTURING THE LION’S SHARE OF MARKETERS’ ATTENTION ...

