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Wednesday 12 November, 2008

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“The Holy Grail for advertisers is positive word of mouth – and online is a brilliant place to find it”
Al Young, St Luke's ad agency, page 7



Beyond the banner ad

Digital marketing is increasingly about creating experiences and meeting people where they are online. **Kate Bulkley** asks how companies are rising to this creative challenge

To understand how fast online advertising is maturing and how it will perform during the coming recession, it helps to let go of the traditional measurements of performance and, instead, focus on what is making waves online.

The advertising world relies on statistics and metrics. Direct response advertising online, led by the power of search engines, and Google in particular, has many similar characteristics and sometimes even more accountability than traditional offline advertising. This is all well and good, but forward-thinking agencies and brands are also looking at digital advertising in a much more comprehensive way, taking the steps needed to use online and, increasingly, mobile advertising and its interactive properties to better effect.

With 1.5 billion people online in 2008 and ever faster and more mobile ways of connecting to the web, there is a blurring of the old lines that separate advertising from entertainment and information.

Consumers have more control about what they do and what they watch, so advertising agencies and brands are beginning to understand that repurposing TV ads for online use is missing a trick. Of course that doesn't mean cut-downs of TV ads for online won't continue to be important, especially as long as sites like itv.com can attract big brands to advertise next to their online TV offers. "The wormhole for big brands into the internet is quality display ads," says Adam Smith, research director at Group M.

But, increasingly, the online space is about bloggers, tweeters (mini instant messages) and online forums. Websites are places for communities to congregate, share and chat. In this digital space brands need to engage with people by being relevant to what they are already doing or giving them something they want or need. Unlike in the TV world, the advertiser doesn't have the luxury of taking over the entire screen for handfulls of time.

More than click-through

"Influencing people online is the cornerstone of any campaign now because people are having conversations about brands anyway and if they are not, or they are all negative conversations, then you should look closely at your marketing," says Lloyd Salmons, director at Outside Line.

The Orange Balloonacy campaign this summer is a good example of how online advertising can be about more than click-through ads and banners. The mobile phone giant's agency, Poke, organised an online race using the animal-shaped balloon animals that feature in its mobile calling tariff promotions.

Some 40,000 people signed up to race a virtual balloon and 2,000 websites signed up to have the race come across their websites. In all, 500,000 people participated in the race either as participants or viewers.

The Balloonacy campaign was meant to ramp up Orange's brand in a way that wasn't just about "telling them about talk plans and selling phones," says Spencer McHugh, head of brand communications at Orange. "We were hoping we would influence how people feel about Orange as a brand."

McHugh admits that he was extremely nervous about the balloonacy idea at the outset. "The original idea was a spoof race and a flash game and a bit of a widget (mini-application). But to get the tech-savvy audience interested we realised that it had to be a real race across the internet. We said to the agency, 'Oh, obviously you don't mean the whole internet, just a little bit of it, right?' But they convinced us it would work so we went for it."

For Orange, as for any brand, handing over a big part of the campaign to consumers who would be racing all over the internet, without having control over what would be said, was a bit scary. "We were worried we'd bitten off more than we could chew," says McHugh. "But actually we've learned more by doing it than reading a report of best practice online."

The world of digital advertising is maturing and this is having repercussions on agencies as well. "International brands are looking for quite sophisticated marketing, not just creative ideas," says Jim Houghton, director of corporate finance at BDO Stoy Hayward. "Brands want agencies to prove the return on marketing investment. That requires funding, tools and know how." According to Houghton, agencies are now

'Brands want agencies to prove the return on marketing investment. That requires funding, tools and know how'

talking about recession planning.

"One of the big challenges in the industry is the gap between the technology and the audiences and connecting the consumers to the message, and that's a creative challenge," says Jeff Hyams, chief strategy officer for Mediaedge:cia EMEA.

Milk brand Cravendale is set to spend £10m this year on brand advertising with only 4% on digital. But even if its overall spend shrinks in 2009, digital's slice will stay the same. "Recession aside, for me digital is going to grow next year," says David Cherrie, brand manager for Cravendale. "I wouldn't envision that digital will be cut, even if the overall budget is cut, because it is so key for us to build loyalty and advocacy."

At Orange the digital story is even stronger: in 2007 online spend on display ads comprised 90% of the online budget, while online brand experience marketing (trying to get consumers simply to interact with the brand) was a mere 10%. In 2008, online display is taking 60% of the budget and brand experience, a significant 40%, says Orange.

"There isn't a silver bullet out there in terms of how you measure and track digital experience marketing," admits Orange's McHugh. "We are always on the lookout for more tools to fill the gaps."

Weblinks

Cravendale: milkatters.co.uk
Group M: groupm.com
Mediaedge:cia EMEA: mecglobal.com
Orange Balloonacy: playballoonacy.com
Outside Line: outsideline.co.uk

Introduction

Crunch time

The recession is upon us but many believe that digital advertising will be more recession-resistant than its big brother, traditional offline advertising. However, according to Jonathan Davies, executive vice-president of CNN International: "In troubled economic times advertisers will seek out safe havens. It is not just the number of clicks that is important. Advertisers will increasingly look for proof of performance."

In this supplement we look at how the recession may affect the growth of digital advertising, both creatively and in terms of how much advertisers use it, not just for direct marketing but also for brand building. Mobile advertising is still in its infancy but faster progress is now expected with the arrival of Apple's iPhone and the first Google phones.

Online video is a growth area and ad targeting is coming increasingly to the fore. Martin Bailie, planning director at Glue London, says that behavioural targeting, which uses information based on an individual's web-browsing techniques, is more measurable and cost-effective than traditional marketing techniques and will be one of the biggest winners in a slowing ad spend market.

Search engine-powered advertising and social media, where brands have "conversations" with online users and bloggers rather than simply "broadcasting" their ad message, are also starting to gain credibility among some of the biggest brands.

We chart the rise of mini-applications or widgets that provide useful information as well as impart a brand message. And we look at how creativity is on the rise as agencies, public relations firms and brands explore how to mine the potential of online conversations and communities. Lastly, we ask three creative leaders what impact the recession will have on creativity. The short answer? Creativity will be even more important in an ad slowdown.

Kate Bulkley

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