Building Great Brands in the Digital Age

Guidelines for Developing Winning Strategies

INSIDE:
• Why digital is unlike anything brands have seen before
• E-commerce: it's not about the long-tail
• Leveraging social media to build brand advocacy
• Using digital technology to organize for online success
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About this Report

The data and insights contained in this report are compiled from a range of Nielsen resources.
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INTRODUCTION

Digital Will Transform Brand Marketing – Here’s Why

Imagine having spent the past 25 years in the marketing department of a leading consumer brand. Maybe you’re thinking how mind-numbing it would be to work on one brand that long. Certainly you would have faced some challenges, but fighting off boredom would not have been among them. The last quarter century was a period of unprecedented change that forced consumer goods manufacturers to significantly alter many of their go-to-market practices. Among the developments to contend with:

• Accelerating consumer diversity. Major demographic shifts required leading brands to tailor communications and expand product ranges to maintain market share.

• Increasing media fragmentation. The number of television stations received by the typical household has increased sixfold since 1985. Advertising itself became more varied, spreading from the airwaves and magazine pages to become a ubiquitous presence, adorning everything from bathroom stalls to race cars.

• Retail landscape makeover. Walmart, Target, and Costco evolved from regional players to national powerhouses, setting new standards for value and forcing leading brands to play by new rules.

• Maintaining a lead in this environment meant adding a bunch of plays to the big brand playbook. Certainly, the game had become more challenging but at its core, it was the same game. Communication was still delivered through mass media, and consumers still went to stores to buy your products. Many large brands shed some share points over this period, but most remained among the leaders in their categories.

Now a new force is reshaping brand marketing: digital. Primarily associated with the Internet, digital also refers to other real-time interactive platforms, such as on-demand television and mobile.

Unlike anything brands have seen before, digital heralds a transformation in brand marketing practices. Digital is a new game that many leading brands have yet to master.

How is digital different?

• Open. In a digital world, marketers no longer control the presentation of their brands to consumers nor do they necessarily have the loudest voice. Anyone can publish content about your brand and that content is accessible to all. Your competitors are no longer confined to the brands adjacent to yours on the store shelf. As information and product choice proliferate, many big brand advantages—such as media and retail dominance—erode. The playing field begins to level.

• Dynamic. For all their complexity, traditional marketing and media platforms offer a finite set of ways to engage consumers. Pre-programmed messages are delivered at predetermined times through preselected channels. Products are arrayed on store shelves in fixed preset patterns. Digital removes these constraints. Product exposure, messaging, and pricing can be customized based on demographics, prior behavior, search terms, and other parameters. Two consumers in the market for a facial cleanser can have entirely different shopping experiences at the very same retailer at the very same time.

• Integrated. In their search for the ideal facial cleanser, one of our consumers finds a new product that claims to work better than a pricier, more invasive office procedure. Intrigued, she watches a video about the product, checks out a series of consumer reviews, and e-mails a skin care specialist who responds moments later. Impressed, she orders the cleanser—the sale owing to a seamless blend of marketing, category management, and consumer relations.

Can leading brands succeed in a world that is inherently about choice and personalization?

We think they can. The laws of branding still apply in a digital setting...it’s still about engaging consumers in the right way at the right time and delivering on the brand promise. Digital facilitates richer, more powerful experiences and closer consumer connections. It’s an environment in which consumers actively promote the best products and the best marketing, effectively perpetuating great brands. In short, digital allows the best marketers to market better.

So where do the best marketers reside? Many of them are associated with leading consumer brands—and it’s for that reason digital offers great brands a path to the next level for those willing to adapt their game to the virtual playing field.
ARE YOUR CONSUMERS ONLINE?

There is a lingering perception in some quarters that online is a young person’s domain. A sense that YouTube is the 21st century’s answer to MTV, online shopping has replaced the local mall, and chatting on the phone has been supplanted by texting and Facebook.

Certainly the under-25 crowd watches videos online, shops at internet retailers, and participates in online communities. But so does almost everyone else. In fact, teens actually spend less time online than older adults. For more about teens online, download the “How Teens Use Media” report on nielsen.com

Online is not the medium of a new generation. It’s the new medium for all generations. Online is more like a parallel world than a form of media—a place where people engage in many of the same sorts of activities they do offline and fulfill many of the same needs. We go online to socialize, to learn, to be entertained, to stay informed, and to inform others. And of course we sometimes go online to buy products and to learn about products we are considering buying.

Your brand’s consumers are almost certainly spending a significant amount of time online [Exhibit 1]. With the exception of the very young, the very old, and moderately lower usage among teens, there is surprisingly little difference in time spent online by age or gender. What does vary is where consumers go online and what they do when they are there.

- Younger consumers are the most involved with social media sites. They are also most likely to avail themselves of online entertainment, such as watching videos, listening to music, and gaming.

- Older consumers also socialize online, but are more apt to use e-mail as a communication platform. Consumers aged 35 – 64 engage in a slightly different form of entertainment than their younger counterparts—they spend the most time shopping online. [Exhibit 2]

The proportion of time spent communicating with others is remarkably similar across age groups, but younger consumers tend to skew heavily towards Social Media outlets, while older consumers tend to prefer E-mail and Message Boards. Consumers age 35 - 64 spend the most time shopping online.
Online behavior also differs according to category and brand usage. Understanding how much time your consumers spend online and the types of activities they engage in while there can help you decide how much of a digital presence to have. It can also inform tactical decisions, such as online ad placement, and even more strategic ones, such as how to best deploy digital capabilities to achieve certain brand goals. Understanding your consumers' online profile is also a great way to gain additional insight into their attitudes and interests.

Exhibit 3 shows how dramatically online behavior can differ according to brand usage, even for brands in the same category. In this example, Brand B may decide it can better compete against Brands B and C by extending its online presence and investing in video advertising (Entertainment), and developing a social media strategy.

Deciding where to place online advertising is similar to deciding which television programs to buy. There is some art to it, but plenty of data is available. Precision targeting is one of online's strengths as a communication platform.

One of the big unanswered questions around online brand building is how to best insert your brand into this parallel world. Placing a display ad for running shoes in an online jogging forum sounds like a no-brainer. But what do we know about the mindset of consumers who visit communities like this? Are they open to engaging with an ad, even if the advertised brand is relevant to the site's content? Are they there to actively engage in dialogue with other runners, or with the sole intent of sharing their own advice? If so, is there a way for a shoe brand to become part of the conversation versus an interruption? Is any advertiser attempt to engage consumers at sites like this disadvantaged?

We believe understanding more about consumers' goals and mindsets as they engage in online activities is a critical and often overlooked prerequisite to effective online brand building, and one we are more frequently helping clients address.

Another area where the playbook is still being written is cross-media synergy. How can brands make the most of their online presence and their presence in other media? This is of particular interest to leading brands, which tend to have the greatest traditional media presence.

Similar questions can be asked about other online environments and behaviors. For instance, will consumers ever transition certain types of “everyday” shopping occasions en masse to the Internet? How can multi-channel retailers best realize synergies between their brick-and-mortar stores and their e-commerce sites? Again, these questions are perhaps most relevant to leading brands and online retailers concentrated in frequently-purchased categories. For certain, they are questions we hear more often, as consumers of all types continue to live more of their lives in the online world.

Online Consumer Checklist

- How active are my consumers online?
- What types of online activities are they engaged in?
- How does this compare to consumers of other categories?
- How does it compare to other brands in my category?
- What is their openness to various forms of brand engagement/presence by type of online activity?
When your great grandmother needed to procure the main ingredient for a chicken dinner, there’s a fair chance she grabbed a hatchet and headed out back. Your grandmother probably went to a butcher shop, where someone else took care of the messy part. Your mom could purchase a pre-packaged chicken and shop for side dishes under the same roof at a supermarket. And you can buy a ready-to-eat chicken dinner at a supercenter, where you can also pick up a new microwave to heat it in.

The way we shop for food and other everyday consumer products has changed dramatically. And it’s in the early stages of another transformation right now. It’s moving online.

Shopping has evolved along three dimensions, with each new phase increasing consumer convenience, choice and value. New retail formats don’t always catch on right away, but over the long haul those offering the best combinations of convenience, choice and value tend to succeed. [Exhibit 4]

There’s a good chance your kids will be conducting most of their shopping online. Online shopping accounts for a small percentage of these products’ sales today, but it’s growing rapidly and there are compelling reasons to believe that growth will continue. [Exhibit 5]

For starters, convenience, choice, and value are the main reasons consumers shop online for leading consumer brands. [Exhibit 6]. Online shopping redefines convenience and choice, and equips consumers with unprecedented ways to seek value:

**Convenience** - Online is a simpler, faster, more hassle-free way to shop for frequently purchased products. Online even eliminates collateral shopping tasks like list-making, by allowing consumers to create and save electronic lists and to review past purchases.

“Every 20 years or so, a more efficient format for getting groceries into consumers’ homes appears ... Over time, about 50% of shopping migrates to the new format ... [Online grocery today] is just the beginning of the next evolutionary step in food retailing.”
- Jason Gissing, Finance Director for Ocado, a UK online grocer

Source: www.telegraph.co.uk  April 19, 2009

“Internet marketing is still in its infancy. Too much attention has been given to digital advertising and not enough to the creation of loyal customer relationships, which are especially valuable in the “one click” purchasing environment ... The true power of Internet marketing is the ability to interact to develop superior customer knowledge and real-time rhythm to significantly build one’s business.”
- Rick Braddock, Chairman and CEO, FreshDirect
Choice – Choice takes a quantum leap online, where holy grail benefits like customization and personalization are already being delivered today. Online offers more variety as well, as services like Peapod’s “endless aisles” clearly demonstrate.

Value - Value isn’t the primary reason most consumers shop for most “everyday” products online today, but it will become increasingly important as online shopping mainstreams. Tools to rapidly compare product prices already exist, and online coupon sites have become the rage in the down economy, with most now offering “coupon codes” for online shopping.

Other e-commerce drivers include demographic shifts and Internet technology advances. [Exhibit 7]

If the above sounds a bit theoretical, all we need do is glance across the pond to see a more developed (and even faster growing) online market for everyday consumer brands. Per-capita spend for online packaged goods in the UK is three times higher than in the U.S. This is attributable in many ways to UK retailer Tesco, a best-in-class performer that established the value proposition for online grocery in the UK. Its success created a tipping point of sorts, as Tesco’s brick-and-mortar rivals were forced to set up shop online, and new online grocery pure plays sprung up in the fertile UK market. Awareness and availability of full-line grocery e-retailers is relatively low in the U.S. We expect that to change in the next 3 to 5 years, as more retailers enter the mix and leading brands increasingly turn on to the sales and marketing potential of online grocery. [Exhibit 8]

E-commerce may be the aspect of digital marketing that has been the greatest boon to niche products, boutique brands and specialty players. E-commerce erases the physical advantages leading brands have accrued over decades, such as distribution at high-velocity retailers and shelf dominance.

Shopping is a more consumer-driven experience online than it is offline. Whether searching for solutions to a need, directly accessing retailer sites, or deciding to click on an ad or link, consumers have far more control over what they are exposed to (and not exposed to) online than offline. And everything is just a click or two away. This allows enterprising small brands to “look big.” Through search optimization, consumer reviews and other social media, and dynamic placement of “in store” ads that appear when consumers shop the category or select a competitor, small brands can generate an online presence that is effectively larger than their big brand counterparts, while serving up compelling messages, and undercutting leading brand prices—all at the point of purchase.
To see these principles in action, try shopping for dandruff shampoos at Drugstore.com, the largest online drug store, or for coffee at Amazon.com, which sells more coffee than any other online grocer. Not familiar with Nizoral shampoo or Timothy’s coffee? You will be.

The same principles that work online at the brand level also apply to retailers, often to the detriment of leading brands. In the beauty care category, for example, boutique retailers with fewer stores and lighter foot traffic than the large offline chains are as readily accessible as Walmart in the digital world. Many of these players do not carry the leading offline beauty care brands. Sephora is a great example of a prestige retailer with limited offline presence that has smartly built a large, successful online business.

Direct-to-consumer players have reaped the greatest benefits of the digital revolution to date. Their business models readily translate to online, and many now enjoy thriving e-commerce franchises. Gevalia.com is the largest online coffee retailer, and Avon is the leading seller of beauty products online, with sales likely to cross the billion-dollar plateau in the next couple of years. Direct-to-consumer brands appear to compete for somewhat different online shopping occasions than do the leading brands at “multi category” online retailers. But in a world in which proximity is defined by clicks, make no mistake that these brands are more competitive with leading “store bought” brands online than they are offline. And almost by definition, direct-to-consumer retailers distribute only their own brands.

The online commercial challenge for leading consumer brands has less to do with the oft-cited “long tail” than with the collapse of physical structures that literally help distance leading brands from smaller brands offline. What matters most is not the number of brands available online, but that there is less separation between them. This levels the playing field, creating a flatter, broader marketplace for everyday brands.

To claim their fair share of e-commerce, leading brands will need to compensate for offline commercial advantages that do not translate online. Fortunately, many leading brands have other strengths they can tap into to improve their online performance today, and to stay ahead of the pack in the long run.

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**E-Commerce Checklist**

1. **Start by getting the basics right**
   - Conduct a distribution audit. Who are the leading online retailers in your category? Is your brand available at all of them?
   - Conduct a “virtual shelf audit.” Do a search on your category and brand at leading search engines. Does your brand appear near the top of the first page of search results? In what context? Do the same thing using the search function at key retail sites. Are the images and descriptions of your products up to date? Which brands appear “adjacent” to yours?

2. **Help retailers and your brand realize the full power of the digital platform**
   - Leverage your category management expertise. Online retailers often have better information than offline retailers and more opportunities. Help them unlock its potential at the same time as you ensure your brand has the right products available at the right price, and the presence it deserves.
   - Enrich the online shopping experience and enhance your brand. In a digital environment, your brand can become a portal to relevant content and connections. Sponsor an “expert” podcast. Create a microsite offering relevant lifestyle advice and a social network platform. Each online shopping trip and each transaction offer unique opportunities to strengthen consumer relationships and gain new insights. Leading brands have marketing and information savvy that can help retailers unleash the true power of e-commerce.

3. **Leverage strong offline presence to create “win-win” opportunities**
   - Leading brands should develop programs that leverage their offline presence to drive awareness, traffic, and conversion at online retailers. Multi-channel retailers are actively seeking synergies between their offline and online businesses. Opportunities exist with pure plays as well.

4. **Develop an overarching e-commerce strategy**
   - The power and flexibility of e-commerce can revolutionize leading brand practices and create entirely new commercial opportunities. Does e-commerce allow you to change the way you interact with shoppers? Does it allow you to pursue new business models or enter new categories? Can it improve your innovation processes? It’s worth having some of your best and brightest consider these opportunities if they aren’t already.
It is well known that there have been challenges moving brand advertising online. CPG advertising, the holy grail of marketing spend, has been more challenging than most industries. This section examines the current state of online CPG advertising measurement, the historical fundamental flaw in moving CPG dollars online, solutions for this flaw and how CPG audience delivery would ultimately look if those advertisers moved more aggressively.

The present recession aside, there are historical reasons why the Internet has failed to attract brand advertisers broadly—and CPG advertisers specifically. To better understand these reasons, let’s look at a brief history of online effectiveness metrics.

Other media have historically focused on audience delivery—not ad effectiveness—as their role in the marketplace. Because of the Internet’s direct response roots, all forms of effectiveness have basically reverted to one form or another of direct response. The Internet started in 1993, heralding the click-through rate as the metric of choice. By 1999 the industry realized that this form of direct response was limiting the publisher’s ability to sell to brand advertisers, so another form of effectiveness was born in the form of branding studies via Dynamic Logic. In their own way, these studies are still a form of direct response, although rather than holding publishers accountable for customer acquisition, they were being held accountable for brand lift acquisition.

By 2003, the Web moved closer to a cost-per-acquisition model, where online ad exposure was linked directly to offline sales. To a great degree, the CPA model still saddles the publishers with managing and proving ROI of a given campaign.

If we fast forward to the present, we have moved to a place where we seek to equalize the Internet with other media by demonstrating delivery over impact. Audience delivery—the promise of TV, print and radio—enables marketers to buy a specific media outlet because it is a cost effective way to reach a specific audience. The new push to post-buy and audience delivery begs the question of what delivery metric the Internet should provide, as simple impressions clearly have not been enough.

There are two potential solutions to our industry’s addiction to direct response. Both solutions move away from an impressions-based basic unit of inventory. The first solution looks ahead to a more fragmented media market and moves to a time-based currency. The other solution reverts to the standard currency of most other media—the gross-ratings point (GRP). Both of these measures shift advertiser attention from the delivery of the specific unit, to the quality of the overall campaign delivery.

**Encouraging Brand Advertising with Time-Based Measurement**

The first solution is to move away from an impression-based currency. When a site can theoretically serve unlimited impressions per page and chop pages into ever shrinking pieces, CPM’s shrink due to a glut in inventory. To make up for these low CPMs sites create cluttered environments where a consumer is moved quickly from one ad unit to another so that the consumer can be exposed to as many ads as possible. Because consumers are shown many ads in short periods of time, it is very difficult for any given ad to produce a brand narrative that connects with a target consumer.
The solution is to measure the overall time a consumer is exposed to a given brand’s ads on a site, rather than the individual impression itself. It stands to reason that the longer a person is exposed to a good creative unit, the more effective the unit itself will be.

In practice, sites should begin by guaranteeing “dwell time” or the seconds a person is exposed to a given brand during a given flight. Eventually, these guarantees could take the place of currency. In this future world, a site would be paid by total time of unique exposure (time of advertiser brand exposure/time of other advertiser brand exposure) rather than how many impressions were served. This measure would mitigate clutter, increase time, reduce the need for sites to create extra page views in order to generate more inventory—and reduce actual inventory levels, which in turn should increase average CPM.

**Developing a Cross-Media GRP**

The other solution is to provide online GRPs. GRPs are critical to increasing CPG investment in Internet advertising because they are the core media buying unit used by offline marketers. Without this basic unit, Internet advertising requires a different planning process than the rest of media. This metrics disconnect makes it difficult to input online advertising investment into market mix, media allocation and other ROI models required by the packaged goods industry to justify investment. The quest for the online GRP has been a long one—with many objections raised about this metric: 1) the GRP is too blunt, and is roughly an impression-based metric anyway, and 2) it underplays the value of the Internet, since other media can consistently deliver a higher number of GRPs due to their reach.

Essentially the same as the TV metric, there is no mystery in GRPs. They measure advertising delivery relative to the size of the overall population.

GRPs allow us to show equivalent delivery across TV and the Internet. Since the GRP is the metric used by traditional marketers in market mix models and other investment allocation tools, the Internet’s ability to accurately show accumulated GRPs across media provide marketers with the data they need to judge where dollars should be spent.

![Exhibit 9: Cross-Media GRPs For “Tide” Simulation](image)

**Exhibit 9: Cross-Media GRPs For “Tide” Simulation**

Either brand lift (IAG) or sales lift score. This number is represented as a percentage of the exposed audience that changed behavior or attitude.

The percent of GRPs delivered to the desired target. This number is represented as a percentage of delivery.

**Equation:** \( \text{Effective GRP} = \text{GRP} \times \text{Imp} \times \text{Waste} \)

**Example:** 10.3 GRPs x 74% in 18-49 target = 7.6 Effective GRPs

Nielsen believes that the online GRP metric is not only within reach, but it is a relatively easy calculation:

**Online GRP Calculation**

\[
\text{GRP} = \frac{\text{Percent Total TV Population Reached} \times \text{Average Frequency of Exposure per Person}}{	ext{Total Population}}
\]

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To best demonstrate the importance of using a GRP in cross-media measurement, we have taken Tide’s TV and Internet campaigns for May 2009 and simulated how the campaign was delivered across multiple demographics. [Exhibit 10]

In all cases, the Internet demonstrated an increase in GRPs. In the core demographics ages 25-to-49 they demonstrated a 9-to-10 percent increase in the total campaign GRPs.

These numbers themselves are impressive, however, this campaign was bought in women-oriented sites. What would happen if Tide branched out its buy to more cutting-edge online media? [Exhibit 11]

**Simulated Campaign Adding 5 Million Hulu Impressions**

By adding 5 million impressions of Hulu video inventory, we see an even more impressive increase. The green triangles represent the incremental GRPs provided by a relatively modest increase in impressions. Among the core demographics we see an incremental 3-to-4 percent increase in buying Hulu inventory alone. Clearly, if this were more aggressively expanded, more GRPs would follow.

**Conclusion: A Way Forward For All Media**

In an ideal world, time-based measurement and GRPs would become part of the same solution. This approach would also allow us to better differentiate the value of ad formats within each media. For example, it would place a different weight on a “button” versus a video pre-roll online. It would also correct for similar time constraints with TV, allowing marketers on TV to better weigh .15 second sports against .30 second sports and bumpers.

By marrying these approaches we will truly have a cross-media and planning metric that takes into account the different levels of interaction with each media, while also taking into account the different types of ad formats that are native to each media. Indeed, when analyzed by market, it may well allow CPG companies to provide a more equivalized input for market mix models.

The way forward in advertising measurement is to advance measurement and planning to a place where it promotes the unique benefits of each media while also showing how individual media combined to provide broad based delivery. Time based measurement will do just this.
LEVERAGING SOCIAL MEDIA

Creating Brand Advocates

Although consumers increasingly control today's dialogue, leading brand marketers, despite the size and nature of your business, can still be part of the conversation. Why? Exhibit 12 below says it all. It’s been demonstrated over and over again that building strong advocacy among valued customers is among the most significant contributors to ongoing profitability. How? Begin cultivating consumer advocacy by making credibility and transparency indispensable components in all of your market-facing decisions.

Brand advocacy matters because it precipitates commentary that publicly rewards or indicts brand performance. Digital allows consumers to amplify brand marketing efforts. Many will promote the best products and the best marketing, becoming willing brand ambassadors. Likewise, consumers will publicly call out brands that perform poorly or behave disingenuously. Consumers pushed to the dark side because of bad experiences or mismanaged expectations can wreak havoc—in perpetuity. This digital trail acts like media, affecting brand awareness, perceptions, and ultimately purchase.

Contrary to the beliefs of some, large brands tend to generate more online consumer commentary than small ones. Think your brand isn’t interesting enough to generate much online activity? Try searching it for it on Google or Wikipedia. Large brands make easy targets for consumers and groups with an agenda or an ax to grind.

So it’s especially important for leading brands to become proficient in social media—they often have the most to gain and the most to lose based on what is being said online.

To do word-of-mouth marketing well, start by focusing on the boring stuff, like product performance, quality, and especially customer service. Certainly quite a few tactics can help you reap even higher returns. Blogs, CGM campaigns, influencer marketing, and online communities all matter. But to have great potential and bring enduring, sustainable value to the brand, these must sit on a solid foundation.

Nurturing advocacy also means rethinking what it means to truly listen and respond to consumers. Brand advocates feel a deeper level of connection with brands that dignify their voices, so leading brands must think hard about scaling their ability to monitor feedback and to let consumers know they are “being heard.” Exhibit 13 on the next page lays out the Six Drivers of Brand Credibility. Our research indicates that embracing these behaviors provides an fast track to creating strong advocates among your customers.

What’s the cost of not engaging? The more consumers feel they aren’t heard, the louder they get by cross-posting, sharing videos, turning to Twitter or The Consumerist, where they are assured a larger, more sympathetic audience.

An advantage many leading brands have is that most have at least the beginnings of a feedback-response capability in house—their customer relations organization. The expertise and assets of this group provide a starting point to delivering the broader levels of consumer engagement mandated by the digital age.

**Exhibit 12: The Exploding Referral Spectrum**

![Graph showing the year of customer life and profit from referrals, price premium, increased purchases, and reduced operating costs.](image)

5 Rules to Effectively Engage Consumers Online

- Articulate Rules of Engagement. Which comments require a response? Which should be ignored? What's the basic "etiquette" when posting a response?

- Whom Will You Be Engaging? Which target consumers or topics are most important?

- Clarify Chain of Command. Who's in charge of the effort? Who's responsible for implementation? A best practice is to create a flow chart which lists front-line responders along with back-ups and back-up protocols.

- Structure Dictates Tone. Corporate blogs are often criticized for being bland and uninteresting. Often this stems from too much bureaucracy. By the time your response is posted, it's been overly sanitized. A best practice is to have no more than two layers of approval and a turnaround time under three days.

- Demand Transparency. The most successful corporate forays in social media are those which operate at the highest levels of transparency, whether informing consumers about product launches or publicly admitting mistakes.

Exhibit 13: Six Drivers of Brand Credibility

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<th>Trust</th>
<th>Authenticity</th>
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<td>Confidence</td>
<td>As Advertised</td>
<td>Let the Sun Shine In Easy to Learn</td>
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<td>Consistency</td>
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<td>Search Results</td>
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<td>Dignifying Feedback</td>
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<td>Community</td>
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<td>Accountability</td>
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Source: P. Blackshaw, Satisfied Customers Tell Three Friends, Angry Customers Tell 3,000 (Doubleday, 2008) 15
Collaboration across marketing and sales functions is vital to realizing the full power of digital. The digital world is a place where commerce, communication, and relationship marketing can come together to deliver new and compelling brand experiences.

Leading brands have some of the best marketing and sales talent available, but often this talent is organized into specialized units, such as advertising, public relations, retail marketing, and relationship marketing. Large organizations recognize the value of collaboration across these areas to maximize traditional marketing efforts. Cross-functional cooperation is even more important to successful execution in a digital environment.

Social technologies that aim to increase collaboration—from customer communities, corporate social networks, and microblogging—are all the rage within today’s organizations, yet we remain siloed.

The idea behind these efforts is that enhanced communication will lead to enhanced collaboration. The reality of modern organizations, however, is that little cross-functional communication actually happens.

In a business setting, social interaction happens primarily with likeminded others. This ‘birds of a feather’ effect is well-documented. Recent research shows this effect is enhanced by organizational (e.g. business units) and spatial (e.g. office location) boundaries.* In essence, we e-mail and work with those in our same department and those close by. This perpetuates the isolation of knowledge and business processes; communication and knowledge-sharing remain fundamental business problems.

Typically, social technologies act as point-solutions, failing to address deeper, strategic needs: in these cases, the technology becomes a road to nowhere. Social networks are merely the raw highways that transport information and connect communities. Corporations still require cars, rules of the road, and people in those cars, armed with maps - not to mention emission standards. A successful social platform is part technology, part business process, and part cultural change. Training, internal champions, and incentives are among the tactics used to encourage genuine sharing over silos and internal competition.

Several organizations are seeing early success breaking down silos by applying social technology programs. Procter and Gamble has excelled with their Connect and Develop program, expanding their organization to include scientists, suppliers, entrepreneurs, and competitors to accelerate innovation. IBM has increased productivity by seamlessly weaving communication into work with streaming, organized data feeds—each of which encourages interaction across functional boundaries.

Certainly another way businesses can enable functional integration is to radically redesign themselves. Overlaying a social technology program on top of existing structures is a less disruptive approach that can be effective provided the program is thoughtfully conceived and well-executed. Those organizations able to connect the right people at the right time will be the ones to succeed—in the digital domain and beyond.

*Kleinbaum, Stuart, & Tushman, 2008
The Digital Opportunity for Leading Brands

Digital has the power to transform marketing. It enables marketers to routinely and efficiently do things they could not otherwise do at all or only with great effort.

- Want to serve up a rich, engaging brand message at the point of purchase? Check.
- Want to tailor your promotions according to category usage or brand loyalty? Done.
- Wondered what it would be like if you could go from talking to segments to interacting with customers? Digital provides the infrastructure and real-time capability to find out.
- Wish your consumers could tell your best prospects just how amazing your products are? Now they can.

- What about that vision for streaming consumer commentary in real time ... your own brand stock ticker? Digital makes it possible.

The challenge for leading brands is adapting to a digital world. It’s about getting comfortable with the digital environment and becoming proficient with digital tools. It’s about figuring out how digital can best complement other elements of your brand program. And it’s about organizing in a way that enables online success.

Digital is a playground for great marketers. Leading brands that embrace digital and are able to unleash their marketing talent in this new world will thrive and have a lot of fun in the process.
About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, and Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA.

The Nielsen Company’s online and mobile solutions deliver comprehensive, independent measurement and analysis of digital audiences, advertising, video, consumer-generated media, word of mouth, commerce and consumer behavior. Nielsen enables clients to make informed business decisions about their digital and mobile strategies.

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