Four and the BBC are already responding to this with their collaborative innovation labs Fuel Four and BBC Connected Studio, respectively.

Therefore, we all need to adopt an innovative attitude, as explored by Dave Birss, a ‘writer and doer’ from GetAdditive.com. Strip yourself bare, believe in your vision and notice things that other people don’t. Deep down, all marketers know this is true, just as the core of advertising is creativity. We just need to be reminded of this every now and then. This conference was the perfect reminder and a nudge to think outside the box — to really think the unthinkable! It provided the tools to rethink, redefine and relaunch, just as it promised to.

Notes

1. <http://www.stores.org/category/business-and-strategy#.UNBm8I5MA0M>, December 2012.
2. The Drum, <http://goo.gl/ii18a>, 7 August 2012.

Figaro digital — Conference review

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Examining consumers from the inside

The Royal College of Physicians, where the Figaro Digital conference took place on 5 December 2012, is staging an award-winning exhibition called ‘Curious Anatomies’. On display are four panels that have previously been kept in dark corners and were often overlooked. Get up close to them and you might understand why — they display the veinous and nervous systems of four anatomized men and women.

Created in Padua in the 1650s, the Evelyn Panels, as they are known, would have required human bodies to be painstakingly flayed and the systems preserved onto oak boards. In doing so, their creators taught the medical profession a huge deal about the inner workings of all of us, even though these findings were the preserve of an elite for many centuries.

That just goes to prove how apt this venue was for the event. Digital marketers are desperate to understand how the consumer is behaving across online and mobile channels and throughout social networks. Much of the insight gained through practice, analytics and testing has been learned through ‘dark arts’ used in the backroom. This conference put it front and centre, leaving the several hundred delegates to work out for themselves what it all adds up to.

Paddy Power

The morning sessions demonstrated just how diverse digital marketing now is — from the multi-channel marketing and experiential campaigns of Paddy Power to online self-service as developed by Mothercare, from reaching one billion Facebook users to embedding

music in television to drive engagement via ‘second screen’ services such as Shazam, the vital organs of the digital world are slowly being revealed. How they are all linked and feed each other is perhaps less evident.

Paddy Power has been working on what a 17th century doctor might have called the ‘humours’ (one of its marketers even uses the job title ‘head of mischief’). Richard Harris, head of online marketing, explained that the company understands the importance of brand in everything it does from a marketing perspective.

In the very crowded online betting sector, this helps to differentiate the company from its rivals, because ‘it helps if you have a brand that jumps off the page’. As an example of just how competitive this sector is, Harris noted that ‘online live roulette’ is the most expensive set of Google AdWords (costing £73.02), above even accident compensation (£70.19) and cloud computing disaster recovery (£68.31).

‘We hear you’

What this means is focusing on how the customer thinks about sport, rather than emphasizing how to bet and on what. Recent campaigns have been unified around the tag line, ‘we hear you’ to reflect this.

Perhaps unusual for a brand, Paddy Power has been willing to wade into controversy, as with its billboards during the London Olympics 2012, announcing that the betting company was sponsor of the games in London. These proved to be activities in a village in France, which enjoys the same name as the UK capital city, but still prompted a legal challenge by LOCOG. Footballer Niklas Bendtner was similarly fined by FIFA for revealing a pair of Paddy Power underpants when he scored a goal during the Euro 2012 tournament.

Harris said the company is pursuing a programme of ‘app-quisition’ by creating apps for use in various digital channels, such as Facebook, through which it can recruit new customers. He noted that digital marketing is a very data-driven environment, but that the company has to think outside of channel silos and conventional marketing thinking. ‘We don’t let ROI constrain us’, he said — perhaps the boldest comment made by any presenter on the day.

Mothercare automates FAQs

Not all the pressures on marketers are coming from rapid growth and adoption of new digital channels — some remain as fixed as time itself, such as seasonality. Mothercare is shopped by 50 per cent of its customers during the ten-week run-up to Christmas and gains 100 per cent of its profits during this period.

As head of customer services Sharon Millard explained at the conference, staffing up to cope with these levels of contact in its call centre requires the use of temporary agents. Handling all potential calls, especially those asking relatively mundane questions, would be prohibitively expensive. Instead, the company has adopted a knowledge management tool, piloted by its Early Learning Centres (ELC) brand, which enables self-service for customers using dynamic FAQs online.

The result has been a significant drop in the volume of calls received, with ELC getting 30 per cent fewer and Mothercare up to

Send more email, not less

40 per cent fewer. That represents a significant cost saving for the business. Much of this gain has been achieved by ensuring customers can access low-level information that should already be in the public domain, reported Millard. A prime example was when severe weather occurred before Christmas 2011 and over 30,000 questions were logged online about what impact snow might have on order deliveries. 'We would have been unable to handle those on top of the 40,000 calls we dealt with', said Millard.

If much of the excitement among delegates at the conference was about hearing the latest digital marketing possibilities — a session by Twitter was the most popular of the day — that only serves to underline the risk of ignoring powerful, existing techniques. At least that was the message delivered by Dela Quist, CEO of Alchemy Worx, who stated that, 'people overwhelmingly want to be contacted by email rather than by telemarketing, face-to-face or SMS'.

He challenged what he called 'myths' about this digital channel, such as that the inbox is overcrowded. That only seems to be true if you consider the total volume of emails that consumers are receiving. Yet, since each brand is only sending one or two emails each week and the individual has specifically opted in to receive them, those messages still get attention. 'Being in the inbox is important because you block out your competition — nobody subscribes to everything', said Quist.

Many companies have been reducing their email volumes, by contrast, out of a fear of upsetting the consumer. Yet, as Quist pointed out, if TV advertising were as cheap as email, brands would 'fill their boots' and advertise as much as they could. Email suffers from a different perspective because of the potential for an individual to unsubscribe and because of the taint of spam.

Challenge of measurement

One problem Quist identified is marketers using the wrong metrics, especially open and click-through rates. 'Don't confuse rates with numbers', he counselled, before demonstrating how reporting on rates can hide the fact that an email campaign has actually delivered large volumes of engaged prospects. Changing how email is measured reveals that frequency actually increases engagement, with consumers more likely to open a message if they get more emails, rather than less.

Consumers who like a brand and have chosen to subscribe to its email will actually underestimate the volume of messages they receive, whereas those who are not engaged with it overestimate that volume. That insight alone should encourage marketers to review how they measure their email activity and the level of activity they use. Quist argued that, 'if you just follow rates, you will never optimise your email'.

21 slides in 21 seconds

Figaro Digital contains a distinctive feature in its short pitches, which give smaller or emerging businesses an opportunity to present their services in a fixed format — 21 slides shown for 21 seconds each. Although many are for familiar techniques, the rapid evolution of digital marketing means you never know whether one of these sessions will turn out to have been from the 'next big thing'. Certainly,

one valuable insight came from David Brooks, managing director of merger and acquisition specialists Ingenious Media, who noted that data and analytics deals are already taking place at multiples of 20 times revenue; such is the appetite of US companies to enter Europe and Asia.

That provides a strong argument for ensuring your business has optimized itself, with benchmarking one of the key tools to understand where you sit compared with the rest of the marketplace. Stream:20 has developed a Digital Performance Matrix, which helps companies to understand whether they are aggregating all of the potential marginal gains from their digital marketing to produce incremental growth.

As joint managing director Serge Milbank told the conference, 'best practice exists in pockets — organisations are good at some things and need to get better at others. Game-changing abilities rarely exist in one area'. His company has already benchmarked 30–40 businesses and identified that the overall average for digital marketing excellence is just 2.5 out of 5. Within the individual pillars which the company measures, however, abilities can rate as high as 4.5 out of 5. Most of these are in hot areas such as SEO and pay-per-click.

Milbank has identified five possible game-changers where substantial improvement could be made by all businesses to deliver real gains — strategy, data quality, use of data, tactics and reporting. 'The biggest opportunity for digital marketing organisations to get ahead of the game comes down to their use of data and how they implement it', he said.

If you were looking for an example of a business that had seemed threatened by the growth of digital, but which has managed to completely turn itself around and become a success story, then you need look no further than radio. Listening rates continue to grow, with mobile phones driving audiences yet higher through radio apps. Services such as Spotify and Pandora are even turning mobile radio into a personalized service.

Absolute Radio has adapted to this new method of consumption through the launch of its user registration account 16 months previously, as commercial director Simon Kilby explained. 'It is a data exchange — users get fewer ads and hear more music', he explained. Although the broadcast stream contains six ads per break, registered listeners hear only two, but also get exclusive content. The station had already signed up 512,000 people, of which 56 per cent listen via their mobile device.

This is leading to new commercial opportunities, such as the launch of the recent Rolling Stones album 'Grrr', which was promoted using an exclusive band interview made available to registered listeners as seven short segments played, whereas the broadcast stream was running ads. Kilby said such innovation was essential: 'If radio doesn't move into the connected world, advertising budgets will move elsewhere'.

One of those new area advertisers are focusing on is undoubtedly Twitter, as the crowded session by UK director Bruce Daisley attested.

Digital marketing benchmark

Absolute Radio

Twitter

However, he stressed that the micro-blogging service is at its most powerful when linked to other channels — 90 per cent of all the social mentions of TV shows are on Twitter, for example, and 40 per cent of all evening tweets are TV related. Brands that include Twitter in promotional activity can see 10–15 per cent click rates. Samsung recently created a downloadable game as part of a promotion that got three times higher download rates on Twitter with 92 per cent of those users playing it three times or more. The Starbucks #FrappuccinoHappyHour gained 49 per cent engagement with its ad and 68 per cent in-store check-ins.

Digital marketers are challenged by the complexity of the channels and options on offer, not least in understanding which play the most important role in their campaigns or how inter-dependent they are. In this respect, they are no different from the 17th century anatomists slowly dissecting the secrets of the human body. As those panels on show at the Royal College demonstrate, the internal workings may be complex and even messy, but what they support is ultimately a thing of beauty.