

# Sowing Seeds: Why Planning for Experimentation in Emerging Media Pays Off

insight

Patrick Moorhead | February 2008



The debate continues to rage in digital media – is mobile at or near maturity? Is 2008 the year mobile is going to matter? When will mobile media be a truly valuable channel investment for marketers?

While opinions vary, lately I'm inclined to take a somewhat controversial position – the year that may turn out to matter most in mobile was last year. Further, I suggest from now on, the year that will matter most in mobile is going to be last year. Not 2007, but whatever the previous year happens to be. I can hear the collective “huh?”, so let me explain a little, and in the process shed some light on mobile as a marketing tool. More importantly I'll explain why we believe so firmly in staking out budgets and strategies for testing emerging media channels as a regular part of the ongoing planning process.

## We started building the machine last year

As we get involved in account planning with our clients this year, it's apparent that those who invested in test programs with mobile as part of campaigns in 2007 are now reaping the benefits. Seemingly small (and sometimes challenging) first steps into mobile marketing are suddenly jet-propelling clients and brands into a new dynamic with their marketing and their conversations with customers. Many clients over the years have heard me talk about why investing in new media tests is important – I tend to speak in terms of “the machine.”

If we think of mobile (or any emerging media technology) as an entirely new mechanism within our marketing and media ecology, it's critical to understand how difficult it is to both build the machine and use it at the same time, especially when market forces apply pressure and technology becomes a competitive price of entry. I'm not going to dwell on that here – instead I'm going to discuss a handful of ways that I've seen our clients leap ahead in their skill and use of mobile marketing as a result of making the decision to start building the machine last year.

## We know if our targets respond or not, and what aspects they gravitate to

Many readers have also heard me say that mobile is empirical science, so no matter how much eMarketer, Jupiter, and m:Metrics data you look at about your target consumer, the only real

### Problem:

Organizations debate how and when to invest marketing resources in new digital media, such as mobile technology.

### Solution:

Emerging media is an empirical science that requires a pioneering approach in order to truly understand all of the factors involved.

### Benefit:

Marketers who approach planning for new media experimentation proactively have access to real outcomes, in addition to increased confidence and skill with media testing in general.

way to understand if he or she will respond to you on mobile is to try. In response, many of our clients say, “Well, if they don’t, I just wasted a bunch of money I could have used someplace else.” To this I say – I don’t see any waste. Getting the right mix of media channels sorted out around your core customer is critical, and if it costs us a bit to determine definitively they *aren’t* someplace, so be it. Knowing for certain that your core customer is reachable (or isn’t, as the case may be) in mobile is a huge benefit in planning, allowing you to either embrace it and develop, or cast it aside and spend time and resources more profitably elsewhere.

### **We know who owns campaigns in the organization**

**Knowing for certain that your core customer is reachable (or isn’t, as the case may be) in mobile is a huge benefit in planning.**

A resolution that initially posed significant challenges to client mobile campaigns ultimately resulted in a new level of clarity about responsibility within the organization, determining where budgets came from and how everyone should go about collaborating to take advantage of mobile marketing. While I can’t disclose specific scenarios I’ve witnessed in our clients businesses, I can make some generalizations that illustrate the benefits. In many companies, media and marketing behaviors are compartmentalized from both a budgeting and staffing perspective. Sometimes lines are drawn around direct marketing and brand

marketing; sometimes between digital and traditional, and for larger businesses with a deep product portfolio, between lines of business within the categories above.

What’s tricky about this landscape is that when mobile really functions well, it tends to cross organizational lines, which is the reason we refer to mobile as a kind of “connective tissue” in the media mix. For example, we’ve seen great results from opt-in SMS programs last year, in particular those that had opt-in integration in print or collateral advertising materials. These organizations shattered the wall between digital and traditional media teams, forcing the decision of who calls the shots on mobile opt-in from a strategy perspective. Figuring out who pays for mobile and out of which budget can be tricky. Tests funded out of “digital” or “direct” marketing budgets, which achieved success in ’07, are gaining subsidies from their colleagues in “brand” marketing. All of this is shaking out because the testing of last year helped crystallize issues. While I can’t tell you where mobile belongs in your organization, I can tell you that those clients that rolled up their sleeves in mobile last year are a fair way down the path of knowing the answer for themselves. And that’s exciting!

### **We have real data on what tactics delivered the desired results**

Mobile, perhaps more than most other emerging media opportunities, offers a startling array of complex options at the tactical level – so much so that it can be daunting to comprehend even after being in the space for some time: mobile display, mobile text links, search, SMS, MMS, WAP, downloads, and applications. And that’s not counting the variety of ways to look at buying mobile – CPC, CPM, CPA, SMS rates per message, bulk message pricing, premium messaging, ad supported content, in-SMS advertising – it can sometimes seem too much to sort out. Our clients have advantages that go a long way towards simplifying and refining the decision making process about what to buy, how to buy it, and what works in getting through the goal posts in a mobile campaign.

First, they're leveraging our expertise in digital media planning and buying. We've been steadily building our competency in understanding this landscape for some time and are hitting our stride on how to organize, price, negotiate and buy the various components of mobile. It's been trial and error, but through the ups and downs, we're wrapping our arms around it.

More importantly, we managed the investments of our pioneering clients in 2007 and made these resources perform for the campaign and the brand. That's been really exciting. Delivering the year-end reviews on our 2007 mobile campaigns and showing which tactics hit, which missed, which were priced for value, which were bargains, and which ones didn't get us what we wanted, has been a revealing activity this past month. Further, as I've started the 2008 planning cycle with these teams, our ability to make crisp, quick decisions around tactics has liberated us to think bigger and better about the overall possibilities for the campaign and the channel mixture. Knowing that buying mobile ad media on a certain network or under a certain negotiated scheme (CPM, CPC, guaranteed impressions, etc.) has allowed us to laser focus our client investments in tactics we've proven to perform and deliver value.

**When mobile really functions well, it tends to cross organizational lines, which is the reason we refer to mobile as a kind of "connective tissue" in the media mix.**

#### **What we do with data – measure, pick through, translate, analyze**

We love measuring. Everything. In emerging media and in particular in mobile, as performance data comes back from the campaigns we begin to pick through it, translate it, and start to draw some conclusions. Having the real numbers in front of us has opened up some new frontiers in cross-media analysis, revealing relationships between online and traditional media, between online and mobile, and between mobile and print and out of home. It has also shown us some unexpected anomalies that seem to signal new directions in the mobile space. For example, in more than one campaign, we've been able to follow a sales conversion at the Web site from a click on a mobile banner. Not just once. Several times. We were surprised on two fronts – we didn't think it was possible to follow a user across that trajectory. Two – and this is critical – if a handful of users are finding a way (and expressing a desire!) on the handset to complete a transaction initiated by a mobile ad, which we didn't do anything to facilitate or enhance – imagine what could happen if we did!

These little revolutions aside, just seeing how many clicks, landing page and WAP page views, and SMS messages sent from marketing programs has given us a new vantage point on what's possible and has exposed places where mobile performance measurement needs some improvement to really deliver.

**We have a viable structure for prioritizing the next round of investment** – this paper should make that obvious. Because of the tactical insights we've uncovered, we're now in a solid position to draw lines around what level of investment is appropriate (and will yield results) in mobile for our clients. This advantage is one enjoyed by all of our clients, not just those who waded into the water last year. As we develop and refine the various aspects of mobile through these executions, we're shaping the industry and beginning to set benchmarks for the kinds of results possible at various levels of investment.

At the very least, for those clients who are now examining what year two in mobile looks like, we can turn a rational and well informed eye towards making decisions. Should you scale up? Should you cut back because you hit enough marks? Should you hold over your allocation from last year, but tweak it based on new information? Now, we have the tools we need to help you make decisions with managed risk and high confidence.

### **Conclusion: Spring Is On The Way, Time To Plant Some Seeds.**

The point of this essay is not to say that mobile is the right channel and tool set for all marketers. On the contrary, we discovered a couple of campaigns where mobile is *not* a good option, at least right now. The point here is to unravel issues around the other side of emerging media experimentation, to demonstrate at the very least, we can qualify and quantify tangible advantages our pioneering clients are enjoying as a result of developing structured, focused new media programs last year. After all, last year was a pretty important year in mobile.

### **About the Author**



Patrick Moorhead is a specialist in emerging media at Avenue A | Razorfish where he leads R&D efforts and client implementations on behalf of the agency's Emerging Media Solutions group in the Central US. As the digital landscape evolves and new ways of accessing content proliferate, Patrick helps clients and staff understand and assess a number of emerging media technologies and their practical applications as marketing vehicles. A sought-after expert and evangelist for cutting-edge media technology, Patrick has counseled many executives of the agency's Fortune 500 clientele, including JCPenney, Kraft Foods, Wyeth Pharmaceuticals, and Starwood Hotels Group. He has presented at numerous industry conferences and events, including Ad:tech, OMMA Expo, SXSW (South by Southwest) Interactive, Digital Signage Expo, and Digital Hollywood Media Summit. A prolific writer on emerging media topics, Patrick was a key contributor to the 2006, 2007, and 2008 Avenue A | Razorfish Digital Outlook Reports' and his white papers are widely read in new media and Internet advertising circles.

You can contact Patrick Moorhead at [patrick.moorhead@avenuea-razorfish.com](mailto:patrick.moorhead@avenuea-razorfish.com).



## About Avenue A | Razorfish™

Avenue A | Razorfish™ is one of the largest interactive marketing and technology services agencies in the world. The company helps industry leaders such as Starwood Hotels, Kraft, Ford Motor Company and Carnival Cruise Lines use digital channels to acquire and service customers. Avenue A | Razorfish's full suite of digital offerings includes online advertising, Web site design and development, email and search engine marketing, emerging media strategies, and enterprise portal development. Its award-winning client teams have a great understanding of customer needs and provide solutions through distinct business disciplines, which include: analytics, strategy, technology, media, creative design and user experience. Avenue A | Razorfish has offices in markets across the United States, and global operations in Australia, China, France, Germany, Japan and the United Kingdom. Visit [www.avenuea-razorfish.com](http://www.avenuea-razorfish.com) for more information.

Avenue A | Razorfish  
821 2<sup>nd</sup> Avenue, Suite 1800  
Seattle, WA 98104  
Phone: 206.816.8800  
Fax: 206.816.8808

For more information please visit: [avenuea-razorfish.com](http://avenuea-razorfish.com).