

# **SO YOU WANNA KNOW ABOUT eMARKETING?**

**(OR DIGITAL, ONLINE, eCOMMERCE...)**



BY MARK SHERRINGTON

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# Introduction

Who do we thank? Was it Shao Yong in the 11th century, Gottfried Leibniz in the 17th century, George Boole in the 19th century or Claude Shannon at MIT in the 20th century (1937 to be precise)? Shannon used Boole's work, which drew on Leibniz and Shao Yong, to apply the binary code to electronic switches and relays. From that, courtesy of Tim Berners-Lee who, instead of eating Christmas pudding on 25th December 1990 invented the internet, we have the digital revolution.

This scholarly introduction to eMarketing, by the way, took me precisely 2 minutes to research thanks to Wikipedia. I timed it. Here are the links:

[http://en.wikipedia.org/wiki/Binary\\_numeral\\_system](http://en.wikipedia.org/wiki/Binary_numeral_system)

[http://en.wikipedia.org/wiki/Tim\\_Berners-Lee](http://en.wikipedia.org/wiki/Tim_Berners-Lee)

Should I so wish I could now post this on either Facebook, Twitter or my blog and begin a process of communication, perhaps even an online, real time, conversation, that could involve more people around the world than I might ever hope to meet in a lifetime. If I wished to take a break from this academic discourse I could spend a few moments on Google and access all manner of information, goods, services and entertainment. This search service is all provided free, because the clever people at Google and their devious algorithms get advertisers to pay for it. That's not so different to all the great TV (sometimes) I get to watch and newspapers and journals I can read which are partly or even entirely subsidized by advertisers. The difference is that anyone can advertize on Google for as little as 50 cents and they will receive very accurate information on how effective this advertising is. Anyone can publish anything (there are several sites that will help you build a web site for free, like [www.yola.com](http://www.yola.com)) and Google will kindly direct people's attention to it, for free. How good is that?

We are essentially very sophisticated social apes and so we like to socialize. Ever since we figured out it would take a bunch of us to bring down a mammoth we have appreciated the power of well organized groups. The internet allows us to socilaize with our friends 24/7 and this includes people who share our interest in Hornby Model Trains or Chinese ceramics. And if we care about saving the Cape Clawless Otter or preventing the new runway at Heathrow we can easily form and organize lobby groups to press our case.

Some companies and brands, very magnanimously, used to show genuine interest in what we thought about them. Whether they like it or not, they now have to. We can now peer deep into their organizations. We can share our views on them and their brands with communication that is more powerful and wide reaching than their own paid for advertising (on TV, in newspapers etc). Boy, are we now empowered as consumers. No need to go on. This digital revolution is like no other revolution in history. Power is shifting, as in any revolution, but it is shifting on a scale and at a speed never seen before. What's more it can all be observed and measured. If I post a video on YouTube or open a Twitter account I can see in real time exactly how many people I am reaching. Chuck in a cookie or two into the equation on my web site and I can see who and where they are.

No-one really knows where this is heading. Maybe it is the kind of Matrix world we saw at the movies where every single idea, piece of information or artefact – everyone of us – is binary coded and available to all. We are well on the way to this now, and in just a few years cloud computing will deliver it all, just like in the movie, to any handset we want. The biggest obstacles at the moment are energy and batteries. These cloud computers use up phenomenal amounts of power – but someone has already figured out ways of delivering this sustainably using cold sea water. Batteries don't last as long as we like – but they are getting better all the time.

The digital revolution is changing society (the Facebook generation), politics

(the Obama campaign) and business (Google power). So it is not a stretch to think it is changing marketing a little.

This eBook is going to try to address 3 things:

1. **What is eMarketing?**
2. **How to develop an eMarketing strategy?**
3. **How do eMarketing agencies work – who should be your lead agency (if anyone)?**

In the attempt I will try to be comprehensive but not exhaustive. Consider this to be a contribution to the debate, the start of a conversation (which we can continue online if you want, how digital is that?). It is primarily aimed at the 'Old School', people like me a couple of years ago, who grew up in brand marketing and an analogue world of mass marketing and distribution. We were not born digital and many of us, myself included, tried either to ignore digital or regard it as just as another new media. In fact, we and our ad agencies called it "New Media" (some still do). And we tried to integrate it into our existing frameworks of how brands, marketing and consumers 'worked'. The previous generation did this with television. The early TV ads were basically radio scripts with pictures. This sounds daft now, but no more daft than developing marketing ideas in the conventional way and then asking for a digital execution as an afterthought.

The New School, those who were born digital, may get something out of this as well. They may start to appreciate that we really are very different – they are from Mars, we are from Venus. What is natural to them is very strange to us. We don't even speak the same language most of the time. So this may serve as some kind of mutual cultural awareness programme. It will also show that some aspects of 'Old School' have been somewhat overlooked in the digital revolution (perhaps underplayed might be a better word), for example, strategy and brand building.

I am not sure I ever truly understood what “post modern” meant (something to do with a mistrust of theories and ideologies – yes I wiki-ed it). But I think I do understand what post digital means thanks to Mike Bayler, co-author *Promiscuous Customers: Invisible Brands*. He explained to me that even if he and I were having a conversation on top of a mountain with no access to the internet, the conversation would be different than it would have been 20 years ago because we have passed through the digital revolution. Whether or not we are connected at any given moment, we think and behave as if we are connected 24/7. Some things might be the same but much would be different because we are empowered by what we can access and what we can do with it. We would not be talking about marketing in the same way and that’s for sure.

## CHAPTER 1

# What is eMarketing?

It is, of course, marketing in a post digital world, which we signify with that little prefix 'e'. So in order to answer the question properly we need to start with what is marketing and what is digital. We can then marry the two.

### What is marketing?

There are so many definitions of marketing but my personal favourite is "making people pay more for your stuff". This can of course be expanded to include "make people buy more of your stuff, more often, if it is the same price". It sums up the purpose of marketing beautifully and incidentally it indicates quite clearly – to an economist – how you can measure the success of marketing. Price Elasticity measures the degree to which people will pay more for a given quantity or buy more for a given price. The problem, as economists know, is that it is very difficult to compare apples with apples. I am prepared to pay more for a BMW than a Renault but they are not precisely the same. Anyway, let's not get side-tracked. I just wanted to get this idea of measurability in early, we will return to it.

So far all you know is the purpose of marketing. How do you make people pay more/buy more? Simple – you add value in the process of producing and delivering it. If you succeed in adding more value than cost then you are profitable.

How do you add value? You manipulate your raw materials to create meaningful benefits for some people, in some circumstances. And you do this with consistency so people remember and trust you. You make this easy to recognize by branding it (just like ranchers brand their cattle). And in doing all of this you acknowledge – exploit – the fact that value can be tangible i.e. what it does and intangible i.e. how it makes you feel and what it says about



you (we are big social apes remember).

In the process you need to figure out the best way to make people aware of your 'stuff' and you need to make it accessible in the most cost effective way.

There it is, marketing in a nutshell. If you would like to go further with this I will list all this under the more familiar tools of marketing:

- Consumer research
- Product development
- Market segmentation
- Innovation
- Advertising and promotion
- Branding and brand management
- Packaging and distribution

There are more, and there are synonyms, but this list is a good start. Some time back I even wrote a so-so book on all this called '[Added Value: The Alchemy of Brand-led growth](#)' and divided it all up into 5 areas – Insight, Ideas, Innovation, Implementation and Investment Return. Anyway, be that as it may, let's just hang on to this thought of adding value – just like farmers do when they rear cattle and just like BMW does when it makes and distributes cars.

### What is digital?

Now let's turn our attention to 'digital', the 'e' in eMarketing. I hope to get to the same kind of simple perspective as for marketing but first we need to complicate things a bit.

'Digital' is not one thing, it's several things. Each can be explained in familiar analogue terms but:

- The fact that it is several things

- That they happen on a scale and speed that was unimaginable just a few decades ago
- They all inter-connect
- They offer access to anyone who is 'online'
- They have changed – blurred – the relationship between producer and consumer ...

... makes it all very mind boggling.

Digital, let's call it the Internet since this is the primary facilitator of all this, is:

- A distribution channel
- A communication channel
- A medium (news and advertising and entertainment)
- A forum or network
- An aggregation mechanism
- A recruitment mechanism
- An exchange

It is perhaps this last definition that is most useful. On the internet people exchange attention, information, ideas, goods and services, money. When I say 'people' I mean businesses with businesses, people with people, businesses with people, people with businesses.

Anyone or any business/organization can make available goods or services (analogue e.g. books like amazon or digital e.g. software like Linux). They can communicate with each other one on one (e.g. Skype), in groups or communities (e.g. Twitter or FaceBook). They can provide news and information (e.g. Wikipedia or CNN or personal newsletters) and they can create forums e.g. blogs. They can aggregate with others to form more powerful buying groups or they can aggregate offers (e.g. best car insurance quotes). You can use the internet to recruit talent and help build ideas (Wikipedia again) or get ideas from a widely dispersed talent group through crowdsourcing.

There is no one currency in this exchange. 'Stuff' can be obtained in return for attention, information, ideas and good old cash (or digital cash if you prefer Paypal).

I could go on and in particular show how all this interconnects, for example how a blog site creates a forum, a media for advertising, acts as an aggregator, crowd sourcing etc etc.

**The point is that it is an exchange for everyone and anyone, money is not the only currency and it serves many purposes.**

It is absolutely not just 'New Media'. And it is absolutely not just 'B to C'. It is both mass and micro with an increasing emphasis on the micro or as Chris Andersen would call it, the long tail. There may not be much of a market for Gregorian Chants in HMV music stores but amazon can access and deliver it to all those fans of monk music around the world and make money in the eprocess.

It was Chris Andersen who also indentified the economics of free – that which can be offered free on the internet will be. But you can still create value out of the attention you gain by offering something of value for free and then commercialize it in different ways.

#### **A digression (but a useful one)**

A lot of 'Old School' mates have asked me how these 'free' businesses like Twitter or Skype or Yola can make money (especially since many/most do not at the moment). I explain it this way: Imagine everything in Harrods was offered for free. How long would the queue be outside the store (you don't have to use your imagination, just pop down to Knightsbridge when the Harrods sale starts)? It would go on for miles. It would end eventually as some people decided they would rather pay than wait in line for two days and the store would eventually collapse under the weight of humanity. So

far so good but Harrods will be losing a lot of money. Now imagine the little guy with a hot dog stall. How much money could he make by selling hot dogs to the people in line? So you could charge him and lots of other people for access to your enormous queue of people. You could also charge quite a lot for some special services like being able to skip the queue, getting the advice of a personal shopper, home delivery. Even so, the 'Old School' Accountant would point out that Harrods is still losing money. Now imagine that there is no physical constraint to the size of Harrods, everyone in the queue is served immediately and everything in the store costs virtually nothing to make. If you can offer something of value and offer it for free on the internet (at a virtually zero marginal cost) you can attract a lot of users – your market size can be counted in millions or even billions. Those users can be up-traded and their attention is of value to whole host of people who do sell other things but cannot access that big an audience.

For a more sophisticated explanation of all this you can read Yochai Benkler ['The Wealth of Networks'](#).

This gives you some idea of how amazing this digital exchange is, how big, how complex and how evolving it is. Like any exchange it involves transactions intended to create value for both parties. You sell for a profit and I get the value of receiving the goods and services. Or perhaps I give you my attention, you entertain or inform or in some way enrich my life. I get value from that, you get value from my attention. Or perhaps we share ideas.

**The internet is an exchange where value is created and shared.**

### **Marrying Marketing and Digital to make eMarketing**

Marketing is about adding value by business for people. Digital is an exchange where value is created and shared between everyone.

**eMarketing is therefore the process of optimizing value for all parties in the digital world.**

## **Why is eMarketing different?**

This may sound simple but it requires a very different mindset for several reasons. It is hard to know where to start since they all relate to each other but lets start – as marketers have been trained to do – with the user (we will not use the word consumer).

## **Slippery Users**

With one click you have someone's attention and with one click they are gone. As quick as the queue has formed outside your virtual Harrods it can move to the virtual Selfridges. Google is probably the biggest pure internet business, certainly in terms of users, but make no mistake, the day a better search engine arrives Google risks collapse. Yes there are certain barriers to entry in terms of the Google system and doubtless a high degree of brand loyalty but there is very little inertia. It requires no effort to change search engine. It requires not much more to view alternative offers for virtually anything you can think of. And there is a global army of people ready to share information about anything they have found to be better.

In digital, the value creation for the user has to be a perpetual obsession. Marketers always had to be user obsessed, the good ones anyway, but they could take a breather occasionally. Mercedes did with Lexus. For several years Lexus was, by any objective measure, functionally better than Mercedes, but a combination of brand values and inertia and the financial outlay involved gave Mercedes the time to improve the product. That would not be the case for Google. They would have a month or two at most.

## **The importance of functional delivery**

Most people use the internet to do something (to find something out, get something, share something). Very little on the internet has sufficient badge value to overcome a functional deficiency. Trust does come into it if actual money or personal information are involved but the key dimension of trust is the trust that it delivers. In the old days people would patiently walk miles from one village to another. These days people get angry and frustrated if

their intercontinental flight is delayed by 30 minutes. It is the same on the internet. You are there because you want to accomplish something and your patience threshold can be measured in just a few seconds.

Brands in digital and digital brands need to build loyalty with a much higher emphasis on functional delivery.

### **Technology is central**

Technology impacts everything but in the analogue world it is only one component and not often a very fast moving one. In digital it is absolutely central and its development is like Moores Law on steroids. You don't just start with an idea and then figure out how you are going to deliver it, you very often start with the technology and see where it can take you.

Conventional Marketing has some experience of this. More often than is admitted by old school marketers, innovation is inspired by technological advances rather than by consumer focus groups. As Henry Ford said, if he had listened to his consumers he would have given them a faster horse. But at the very least innovation and consumer insight collide to create brand building ideas. In digital, technology is the idea or at least central to it. This builds on the observations about slippery users and functional importance. Technology is central to both the strategic and creative process (see below). eMarketers can be a bit techie and nerdy because they have to be. They have to understand the technology and they have to be very alert to how it is changing in order to optimize the value exchanges on the internet.

### **Measurability**

This is very clichéd now, but the old quote "half my advertising is wasted, trouble is I don't know which half" has dominated marketing since its birth, in the form we now understand it, in the 1950's (advent of supermarkets, television and the modern idea of brands). Great effort has been made to 'measure marketing' and a lot more can now be audited and modeled.

But not everything, and not well, especially when it comes to the cause and effect of specific variables.

Pretty much everything an eMarketer cares about can be measured, cause can be related to effect in a highly empirical way and consequently they are able to think in terms of Return on Investment.

Can I just repeat that – they think in terms of return on investment. They don't just pay it lip service, they don't just make an intelligent guess, they don't rely on post evaluations. They think in terms of Return on Investment. They actually want you to start with what your desired ROI is. The return can be anything you want it to be – for example the number of people who sign up for a test drive of a new car from the web site. To take a very simple and clear example, if you choose to invest in Pay Per Click (PPC) with Google an eMarketer needs (not likes) to know what the value of an acquired customer is. They can then continually refine the campaign and investment levels until it achieves your desired objective.

That is just a simple example. In the world of eMarketing they work on the basis that everything can be, and should be, measured. They like to discuss this right upfront because they have to build the measures and metrics into the technology. I cannot emphasize this difference enough – eMarketers are empirical scientists. They hypothesize, they test, they measure, they refine. They are creative (see below) and they do believe in magic but they also believe in counting the number of rabbits that come out of the hat and why.

But what do they measure? They measure behaviour, actions, results. Old school marketing grew up with this idea that not everything can be precisely measured and they also grew up with the idea that behaviour is the result of attitudes, which of course are notoriously hard to get to the bottom of, let alone change. The Finance Director has never cared about attitudes, because only actions – buying something – affect the bottom line. eMarketers don't care so much about attitudes either because they can measure what people

do. They don't care so much what you are thinking because they can see what you are doing. (If we are getting picky so did the original market researchers who used mass observations rather than focus groups). But if we do not know why someone does something we cannot influence what they do, surely? Not if you believe that in most cases behaviour precedes attitudes. You do not, "do because you think", "you think because you do".

### **Behaviour precedes attitudes – so experiment**

This could all get lost in some very complex debate on cognitive science and social psychology so suffice it to say that social scientists can prove that attitudes, more often than not, follow behaviour. What you actually do shapes what you think.

The reason why this is important is that it challenges circa \$1 trillion (ok, this is a guess, I have not measured it) of marketing investment every year that seeks to influence attitudes. eMarketers do not worry so much about that. They simply focus on the desired behaviours – click here, register there, respond, recommend, talk to someone and yes, buy this – and make sure they can measure what it takes to achieve it.

eMarketers are of course hugely advantaged in their ability to experiment very cheaply and very, very quickly. They can run split tests – parallel pages on a site where certain variables are changed, for example price – and they can model using the data they get. They can create prototypes much more easily and cheaply. And they are doing this in an environment where they can access a lot of data and opinions and help online. I am constantly caught out by this when I sit in meetings with my old school head and start to debate something with eMarketing people. After just a few minutes I realize that most of them are not listening to what I am saying – they are online, looking something up or posting a question on Twitter.

I am also reminded of a project I worked on years ago with Shell where we were developing different concepts for a radical new type of gas station. We



developed some corkers but the client was troubled. “It will cost us a couple of million and take a year to build that idea and in the process we will alert every competitor to what we are doing”. Amazon can remodel aspects of their site, i.e. their business, for a fraction of the cost and test in less than a day. As has already been noted, who cares if competitors see this, your competitive advantage comes from doing this continually so they can’t catch up. That’s how Google outstripped Yahoo.

## **Creative Strategy**

Creativity is a fascinating subject. What is it? Can anyone do it or are some people and some techniques better than others? Do we mean the kind of creativity involved in ideas or expression? Ditto strategy? What is a strategy versus a strategic objective? What is the difference between strategy and tactics? All very interesting.

Creativity works in one of two ways.

1. Previously unconnected thoughts and ideas are connected to create a new idea, for example:  
Swiss watch making + Japanese watch prices = SWATCH
2. The art of distilling to get to the heart of something and create a new idea, for example. Nobody buys a luxury watch like a Rolex to tell the time. It’s about self-esteem and reward.

The first can be coached and there are creativity techniques that help. The second is harder to coach and some individuals seem to be naturally better at it. They look at what everyone looks at but see what they do not see. eMarketers are more often in the first category, traditional creatives can normally do a bit of both.

Digital presents a dizzyingly wide range of options of channels and tactics. eMarketers use their creativity, underpinned by a reflex to experiment as noted above, to develop creative strategy. Or put another way when they

think strategically – what are the best options to achieve the desired strategic or business objective – they think creatively in terms of how they connect different channels and different tactics to achieve or exceed the desired results.

Without wishing to get into a big debate on it, strategy is the process of developing options to achieve a desired outcome. Once you decide the best option, the strategy gets expressed as objectives. And if you look it up in the dictionary you will see that there is no difference between strategy and tactics other than the latter involves actually doing something about it.

I have never heard an eMarketer talk about it in this way but that is what they do. Strategy, tactics and creativity are all mushed up into one process where the focus is the business objective. Technology, ideas, channels, tactics, measures all get thrown into the mix in a very quick iterative way with an impatience to get out there and try something so you can learn.

### **Lets call this creative strategy.**

When it comes to execution, both digital and analogue respect the power of originality and impact. You want your ad to be fresh and attention grabbing, something that gets talked about, something that engages. Ditto your web site BUT eMarketers are better at balancing their enthusiasm for fresh original creative expression with the need for something that actually works.

There is a debate among digital people – which will become redundant eventually as technology overtakes it – about the merits of flash on a home page. If you are old school I doubt you will care. You will however be very attracted to a pretty looking home page, with lovely moving graphics that reinforce your brand values. You may not realize it but this requires flash and takes time to load (as I say, this will be overcome soon) and the eMarketer will show you precisely how many users you have lost in the few seconds that it took to load.

Forget this specific example, my digital colleagues will probably tell me I have

not explained it well. The point is that eMarketers weigh up 'creative' with 'effective' in forming their tactics and expressing their ideas in a way that does not happen so evidently in traditional communications.

## **Social**

The internet, like so many amazing technological breakthroughs, has been hijacked by we social apes for the purpose of behaving even more socially. Yes it is a medium and distribution channel for business, but first and foremost it is where we communicate and socialize. We exchange ideas, we create, we have fun, we share, we often behave badly, just as often we behave very selflessly and offer help to like minded people, but still essentially strangers, we have never met.

For business to 'play' in this world it must accept the rules are different. It requires permission to join a conversation. The status of business is not respected, it is earned. It takes time to build trust and create a relationship.

I am conscious this sounds a little high flown so let me give some real practical examples.

As a brand you cannot just burst into a conversation on FaceBook, or wherever, just because you spot a potential customer. You cannot get someone to your site and then expect them to register and tell you everything about themselves so you can sell them some more product. And you absolutely cannot just abuse their inbox with unsolicited and unpersonalized messages about yourself. OK you can but they will literally punish you.

I don't know how many people are reading this but can I tell you I never fly EasyJet. I never liked their orange planes, unruly queues and crappy staff (I tried them once and found their people to be loathsome, clearly rejects from a decent airline). I regard a \$100 dollar premium to fly BA as a small price to pay not to have to fly EasyJet. Among my friends, who all feel the same

way, we call them *Sleazy Jet* and the only people I know who use them do so purely because they cannot afford not to. What kind of a crap brand is that? I tell you this a) because it is true and b) because despite several attempts I cannot get myself off their email list, a list I find myself on just because I once made the mistake of using them. You enter their world – our world – and you must play fair. A good eMarketer can offer advice based on hard evidence of the best ways to build trust and relationships. Advice on how much information to ask for upon first registration (hardly anything) and the right time to start to invite people to tell you more, the best way to make it attractive to sign up to a newsletter and the best way to ensure enthusiastic response by being more personal and targeted. They can tell you the best way to improve your search results and get online PR by being good at what you do, relevant, timely, helpful.

And as I listen to all this advice it makes me think of one thing – be sociable and treat people the way you would like to be treated. When did you last hear that in a conversation with a traditional ad agency? They seem to have a very one dimensional aspect of building relationships – be entertaining. So all the ads we like are entertaining. In eMarketing it is more complex – be sociable and demonstrate the finest of human qualities – honesty, integrity, a willingness to share, respect.

Are eMarketers intrinsically better people than the old school? Of course not, they have just learned how to behave (please refer to the text above!).

I could go on but something tells me I don't need to. eMarketing really is very different in the same way that the Chinese are different to the French. We can all get along but it helps to recognize this and recognize what the source of those differences are, in the same way that a little understanding of Confucious helps you understand the Chinese. You don't need to speak Mandarin Chinese and you don't need to be able to programme in Java. Maybe it is all merging – maybe one day we'll all be Americans.

## To sum it all up

- Digital is no one thing, it is lots of things, but essentially it is an exchange where the currency can be anything from ideas to money.
- The role of eMarketing is to optimize the value of the exchange for all parties.
- eMarketers are different because digital is very different in many ways. Users are more impatient and promiscuous, more functionally oriented. Technology is central. Creativity, strategy and tactics are merged in more complex world of options. Everything behavioral can be and is measured, and that is no bad thing, but it creates a very different mindset especially because it is so quick and easy to experiment. It is a fundamentally social world where it pays, literally, to treat people with respect, the way you'd like to be treated.

## CHAPTER 2

# How to develop an eMarketing Strategy

We've touched on this already in the section on creative strategy. But there is more to be said on exactly how to go about this and a something to be said about the enduring value of some 'old school' skills.

eMarketers while different are not better when it comes to some very important aspects of strategy. I want to highlight a few.

### Fire, Ready, Aim

At the outset of working with digital marketers and specialists I got very frustrated by their use of the word strategy. At first, I'll be honest, I put it down to youthful inexperience. The penny dropped when I worked with a SEO (search engine optimization) specialist. They came up with a very long list of key words that I had to make sure were worked into as much as possible of the site copy and articles we were writing to get some online PR (and link authority – Google likes you if they see lots of people link to you and rewards you with higher natural search results).

The list seemed a bit arbitrary and superficial to me and it mattered because they wanted me to shoe-horn some very clumsy English into the site copy and the articles. I asked how they had come up with this list and was told, very confidently, they had taken a strategic approach. Fancying myself as somewhat of a strategic expert I enquired about this approach and was told they had looked at the content, the users and the competition and formed a view. This sounded promising but when I saw the list of competitors and the definition of users I was appalled. It was very superficial and partial. It gave no sense that they had really thought about this, analyzed it, developed options and criteria. There was no attempt to segment the potential user

base and develop any notion of their needs and attitudes to potential benefits.

So I asked them to redo the work and come back when they had taken all this on board. They did, two days later, and the list of key words was unchanged. They seemed impatient to get going, I was very frustrated. It wasn't that the list was wholly bad just not as good as it might be. How could it be if so little thought had been given to it? My point was that with a truly strategic approach we could have come up with something much better as a starting hypothesis. Their point was, why bother, it's good enough, let's get going and in just a few weeks we will learn what works and what doesn't.

And that is the problem with eMarketers – because they can experiment they have a tendency to think less and experiment more. And my problem is that because I grew up in a world where it is hard and expensive to experiment and yet the consequences of getting it wrong are very painful, I like to think a lot before I experiment, so I spend less time learning and lots of time postulating.

They are fire, ready, aim. I was taught to get ready, aim, then fire. And the answer is ... we are both right.

Let me share an analogy. Take the game battle ships. An eMarketer will start firing out co-ordinates. 'C5' – miss. 'F9' – miss. 'H3' – hit! 'H4' – miss. Damn, the battle ship is going up or down. 'G3' – hit!

We old school would look at the charts. Where are the rocks, what are the prevailing winds and current. If we were the Admiral of the fleet, where would we park a battle ship? 'G3' – miss! How come? It was parked there but it moved away two hours ago. Damn!

There are some aspects of strategic thinking that should be given attention upfront:

- The definition of market and competitors
- What generally held market assumptions should we accept, which should we challenge?
- What are our points of parity and points of difference with competitors?
- How does the potential user base segment – which are the more attractive segments? How can we re-segment it?
- What is the business model (how are we going to make money)?

Perhaps these do not need debating at exhaustive length but some attempt at some answers really helps! And remember the first rule of strategy – choice. If you do not develop options that you can weigh up then you are not thinking strategically.

It may be good to ‘start firing’ fairly quickly but ‘ready, aim’ should not be skipped altogether.

If a balance is struck between the ‘ready/aim’ and the ‘get firing’ then there is one simple and really useful piece of advice. Keep some of your budget back. Someone once gave me this piece of advice about building a web site. Take your best guess at budget and divide it in two. Use half to build the very best you can and save the other half for the changes you will inevitably want to make in 6 months time.

This is so valuable and explains why a lot of eCommerce start-ups have really alarming burn rates that terrify investors. Think a little more before you get started and create big contingency budgets to apply the learnings.

## Segmentation

Every great marketer I know has a natural reflex to segment a market or indeed a problem. Take a topical example. How do we get people to drink more responsibly? The marketer instantly starts to break down ‘people’ into meaningful groups according to age, attitudes (OK, behaviours),



circumstances etc. Then they start to break down the word 'responsible' – do you mean controlled or knowing, self aware or socially aware? And as you do so, you start to see a variety of solutions. Remember, as a marketer, you are trying to create more value than cost and you can only do this by targeting benefits to circumstances.

Market or user segmentation, which uses research and insight to put things into useful sub-divisions according to the 'who, what, why, when, where' dimensions as well as the profit and growth potential is key to marketing strategy.

eMarketers are a bit like big retailers. They want everyone and want each of them individually to be delighted based on personal service. Thanks to Chris Andersen and his Long Tail thinking, eMarketers almost shy away from the big clusters as tantamount to mass marketing. Or else they just do not care – as long as the numbers are coming in who cares whether they are male or female, young or old, value seekers or premium buyers? Well it does matter. Even though a lot of stuff on the internet is private it is not invisible. If Facebook gets seen as being for Babyboomers, a younger, hipper competitor is one click away.

Again there is a happy medium. At the outset of developing an eMarketing strategy some research-based means of developing a user segmentation model has value. Once you have launched this model can be refined and upgraded with hard behavioural data.

## **Brand management**

It would not be fair to say that eMarketers are necessarily worse at branding than the old school. All great brands start with distinctive functional benefits – BMW is a great brand but only because it is based on years of solid engineering that produced cars that broke down less often than those with British or Italian badges. In digital, as has already been stressed, functional

delivery – code that actually works – is central to success and transparent in the metrics. You build loyalty to your digital brand because in an environment of high impatience and high promiscuity – the slippery user – your site or ‘App’ is really user friendly.

The other essential for a brand is a short, snappy, distinctive, easy to remember brand name and logo. In digital you would add URL and they seem very good at this. eBay, Google, Twitter, Facebook are all strongly branded in this sense.

I can’t criticize digital brand consistency either, and consistency is the sine qua non of branding. Lack of it kills a brand as people just get confused about what the brand stands for and what to look for. Advanced branding recognizes the need for a brand to be inconsistently consistent (or consistently inconsistent). In other words, just like a great character in a soap opera, a brand needs to be highly recognizable but also needs to retain your interest with new story lines. Every now and again they need to surprise you, to act out of character, which they can do because you know their character so well (very hard to act out of character if I don’t know you). Innovation, new news and fresh ideas are the norm in digital. The ‘exchange’ demands it and the ‘community’ delivers a constant stream of suggestions and ideas about what you can do that is better.

But what about values, the intangible side of brands, their personalities – the ‘what it says about you’ and ‘how it makes you feel’? How well does this come through with digital brands like Google or eBay or analogue brands when they go ‘digital’ like Guinness.com or BMW.com.

The eCommerce brands often do alright for the simple reasons that they expound the values of their founders who still run the business. Like Marks & Spencer (who for decades invested nothing in conventional marketing other than being a really effective, great value store) they exhibit consistent values and develop clear personalities because they are essentially a family business. In a relatively short time Google has built a true brand – a sense of Googleness,

what they stand for, how they do things. But what about Yahoo, Amazon, Facebook and many more? What are their brand values? Do you care and if not, what are you likely to do when something slightly better comes along?

And how well respected are the brand values of the analogue brands going online? In fact they very often are highly respected by essentially web design agencies who create some wonderful looking sites (here are some beauties):

[Perrier-Jouët Champagne](#)

[Veuve Clicquot](#)

[Louis Vuitton](#)

[Ray Ban](#)

But they achieve precisely nothing because there is no functionality and no content. No-one goes there. So then someone realizes that it would be great to create, for example, a game. Check this out for [Pilsner Urquell](#), the original Pilsner beer, steeped in brewing tradition that should be highly respected:

Great for awareness – this game has been played by millions – but not so great for brand values.

If you are not lucky enough to have the founder still running the business, someone to constantly espouse the values and remind everyone what the brand stands for plus the power to axe anything and anyone who betrays those values, then you need some kind of “Brand Positioning”. There are lots available like Brand Bullseye’s, Brand Wheels, Brand Bibles and Brand Manifestos & Mantras. Some are a little over engineered but they all try to capture, using words and pictures, what the brand stands for functionally and in terms of personality and values. They provide a set of guard rails for everyone in the business in order to deliver the branding consistently across any and every ‘touchpoint’ with users of the brand. They are a way of managing the brand and ensuring that consistency is maintained, albeit with fresh execution. They allow you to develop and evolve the brand but in

a conscious way – you can make clear decisions to evolve because you know what you are changing.

There are doubtless other old school strategic tools a marketer should retain when adding the prefix ‘e’ to what they do, but some kind of strategic framework for the market, the competition and your business model, the use of segmentation and brand positioning are my top 3.

Assuming these to be in place, what then is different about developing an eMarketing Strategy?

There are 6 things, and hopefully they will flow logically from what has been said already regarding how digital differs. They are expressed as questions – strategy, any strategy, is best thought of as seeking answers to questions and making choices

### **1. What are you trying to achieve in terms of value exchange and with whom? (If an eCommerce business – what is your business model?)**

Digital can achieve many things in terms of users and value creation. What exactly are you trying to do, what constitutes success? If this is achieved, e.g. Prime Objective = “We want people to see the full range of products we offer”, what else can be achieved in support of this e.g. “We want people to share their comments to support our range development”, e.g. “We want to identify the most enthusiastic users and recruit them as brand ambassadors”. Be specific and be focused, but only having explored all the options.

If you are an eCommerce business then what is your business model – how are you going to make profit (not just revenue)? It may be that all you are seeking to do is build a huge user base because then you can sell the business to someone else who can make profit from this. In which case how many users, what type of users, how quickly – and what kind of business is likely to want to acquire you?

Simple questions, like all strategic questions, but ones that need some careful deliberation, and weighing of options, to answer them well.

## **2. What is this worth to you and how will you measure it?**

It would have been easy just to include this in the first question but it is singled out for a reason. eMarketers start with ROI. Only if they know what something is worth to you can they think strategically and practically about the best ways to achieve it and the kind of metrics that need to be built in to any solutions. This is NOT like good old brand communications “We’d like some great ads that build the brand and eventually sell some more stuff and/or support our price premium”. eMarketers must know not only what this is worth to you but what are the key steps in the value chain and what is the hypothesized (I say hypothesized because you may well learn you are wrong) cause and effect. You say you want lots of people to “see the full range of products” but why? How does this translate to a conversion model and the value of a user?

## **3. What is your programme to experiment, optimize and learn – how much budget do you need to keep back for this?**

For an eMarketer the start of a marketing initiative is the start of process of experimentation and learning. This is not to say there will have been no user optimization and beta testing but only when you go live do you get a high volume of hard data. Only when you have traffic can you start to experiment. This is very different to the ‘old school’ “let’s launch and review in a year” approach. So for an eMarketer the programme of experimentation and the budget and resources necessary to do this are addressed at the strategy stage not post implementation. (Some may say this is not so different, but in practice it is. There may be some form of risk analysis and planned evaluation in conventional marketing strategy but to nowhere the same degree as is required in digital).

#### **4. Have you included technical in the team?**

Because the technology may well form the core of the strategic idea, an assessment of the technical landscape is part of the process of developing strategy and this can only be done with technology as a forethought not an afterthought.

#### **5. Have you considered all the options (tools, tactics, channels) to give the best chance of 'creative strategy'**

Digital is characterized by the wide range of tools, tactics and channels at one's disposal. They can be lumped into categories – Search (paid and natural), Social Media, Online PR, email, affiliate, Viral, mobile – but under each lies yet more choices and options and they are growing all the time. More to the point, they interact not just with each other but with off-line activity as well. A brand event can be the beginning of social media and email marketing if it is set up right. Brand activity (advertising, events, stunts) is content and with content you can create destination web sites and viral on-line PR. (Check out how [Smirnoff](#) do this).

Individual tactics can be more typically suited to the achievement of certain marketing objectives. Simple examples would be that Search Optimization is great for recruitment and traffic building but email marketing and permission newsletters are better at retention, up-selling and relationship building. The point is that creative strategy lies in configuring new and unique combinations of tactics. In order to do this almost everything must be included in the strategic thinking and then perhaps ruled out, rather than deciding a strategy followed by a search for the best execution of the strategy based on preconceptions.

This is not so different to the way it should have been in conventional media. Since the early days of TV/Press/Posters there have been a wide range of media channels to choose from. But nevertheless the prevailing

modus operandi has to be to “have the big idea” and then see how it can be expressed within an often pre-determined budget, across known and trusted media starting with TV (if budget allows). The media guys have been screaming that media needs to come first, some even want to be ‘the lead agency’. Budgets should be outcomes of objectives and the likely returns. Media options should be ruled out, not ruled in, to force consideration of everything. But this rarely happens.

In eMarketing it does– for all the reasons that have been mentioned but especially because a) it is a multi-dimensional social exchange not a one way media and b) because everything can be measured and often has benchmarks you can model off. Strategy is the creative use of different combinations of tactics.

## **6. How will you manage the learning loop and deliver innovation?**

The tyranny of conventional marketing is the one year planning cycle. Companies report on an annual basis so budgets and plans are set on an annual basis. Marketers have never liked this because they know not everything happens on this timescale. On the one hand it can take several years to build a brand and on the other hand events happen in the market place after the start of the planning period that require a more flexible response. But they have accepted it and it has ‘kind of’ worked because it takes a few months to plan and execute things and several more months to be able to evaluate them properly.

Not in eMarketing. The timescales are much shorter; results are quicker, cheaper, more reliable and actionable; market and technical developments are much more rapid. A fast rate of innovation is essential to maintain competitive advantage.

Someone – it may well have been Mike Bayer again – likened eMarketing to a pinball machine. You get the ball in play and if you can use your flippers

well, you can keep it there. So how do you intend to play the pinball machine – how will the team evaluate and use the results? What is the process of innovation? These need to be thought about strategically, in other words, what are you trying to achieve, what are the options, what is most likely to achieve your business objectives?

I can't offer any hard and fast rules on this let alone reconcile it with the annual planning cycle. What would seem sensible is to think about one month planning cycles and to treat the eMarketing team more like the news room behind a News Show, that meets constantly to review what has happened, what the emerging stories are, and which ones to run. (I give credit for this analogy to Chris Satterthwaite, CEO of Chime)

These questions are very specific and clear. Getting to good answers is not but that is always the case with strategy. The strategic questions are always very simple:

- What is your market?
- Who are the competitors?
- Who are your users?
- What are your core competencies?
- How is all of the above likely to change?

Not many businesses can give coherent answers to these simple questions and therefore not many businesses have a coherent strategy. The answers can be complex, there will be various options. Choices have to be made. But again, that is strategy. It does not alter the fact that the questions are the right ones. Answers to these 5 questions will form the basis of a business strategy.

The 6 questions above them, if thought about and addressed, will form the basis of an eMarketing strategy.



If all of this sounds a bit challenging perhaps I can offer some strategic reflexes that might help. I call them reflexes because that is what they are – natural responses to strategic questions. When in doubt what should we focus on?

## Functionality

In the world of digital, superior functionality is very often your prime source of competitive advantage. If the user has a great experience, everything works as they expect with no hitches, information is easy to find, use, compare and share, then they set you as the default, either mentally or literally (through a bookmark, toolbar or RSS feed).

Functionality builds traffic and loyalty and word of mouse recommendation. Enhanced functionality creates growth. You know this from your own experience. Just click 'most visited' on your search engine Toolbar and look at the sites you use (you may want to do this in private). In every case you will be loyal to them first and foremost because they deliver great functionality (and content – see below). This applies to any digital offer.

## Content

Building on functionality is content. Great content, lots of it (as long as it is easy to select and use) is another reflex one should have when developing an eMarketing strategy. Video downloads specifically are the fastest growing thing on the web.

When famous analogue brands 'go digital' it has often meant a great looking web site that delivers a marvelous brand experience that oozes brand values. Be it for a car, a soft drink, a laundry detergent, brands have spent a fortune with web designers creating snazzy sites.....that nobody visits. In order to build a digital offer you have to think in terms of functionality and content. A beer brand may not be that interesting in itself but if it does interesting things

and builds great content around that, it can be compelling.

Occasionally this can be just a fantastic ad – people still like really funny ads as Cadbury’s Gorilla has reminded us. It has reached several million people (check the viewings on [YouTube](#)) for no additional budget. It is worth remembering by the way that Youtube is the second most popular search engine. But content can mean many many other things, not just ads. First prize, as YouTube have shown, is to get other people to generate the content for you!

## Search

Conventional Ad Agencies have a tendency to include TV in any creative response. They will argue, with some validity, that TV still has great reach and still offers a great medium to create brand values and persuade. They will of course deny furiously that the real reason has more to do with the fact that their creative teams love making TV commercials, their little bit of Hollywood, and that Cannes Awards for great TVC looks very good in their portfolios. Be that as it may, TV has always formed a big part of a brand building strategy. What is the equivalent in eMarketing? Search.

eMarketers always have a reflex towards Search. Their argument is very simple and has nothing to do with what they necessarily enjoy doing most or what wins awards. Indeed a lot of the work that goes on under the heading ‘Search’ is neither glamorous or award winning. The eMarketer argues very simply that if you can’t be found you are wasting your money.

There are over 2 billion internet users and the vast majority of their use goes via a search engine, usually but not exclusively, Google. Google’s model is very simple – they offer the search for free and they charge people to advertise. The model may be simple but the mechanics are not. Google claim that over 80% of any search request they see on any given day is completely new. Imagine that – over 2 billion people entering different key words every

day. They don't all ask for "Cheap Car Hire in France" they use a bewildering assortment of 'bargain/rental/ auto/ Province etc etc' and they do it in lots of languages with lots of spelling mistakes. They expect Google to recognize that when they say "I want to buy an Apple" they mean the computer not the fruit. Whatever they ask for they expect Google to go out and find them the 10 best sites that meets their request out of more than 35 billion possible options. I won't go on – it's complex!

Google, and any search engine, solves all this with clever little algorithms that rank sites (literally pages) according to certain criteria. These algorithms or mathematical formulae are a closely guarded secret, but their function is nevertheless simple to grasp. They look for the highest relevance and authority (a surrogate for customer satisfaction using things like link authority i.e. who else uses that site). First prize in any eMarketing Strategy is to appear on page one of the search results (i.e. the top 10) for any key word or phrase that matters to you. For example "Cheap Car Hire in France" if you are Avis.

Getting to this position is not some kind of dark art it is just hard work that requires time and quite a lot of experience. There is no point trying to trick the search engine, there is every point in respecting what the search engine is trying to do and ensuring that, through all your eMarketing, you deserve to be in the top 10.

As I say this takes time – as a rough rule of thumb, 6 months or more. In the meantime you can still be found but you have to pay for it, literally for every click you get on your site, hence the name, Pay Per click or PPC. Planning and budgeting for a PPC campaign(s) is again not glamorous work. It starts with some strategic thinking and research to identify not just the right words but also the most cost effective words. 'Car hire in France' will be expensive, 'Touring holiday' may not be. Over the following months, again 6 months or so, through a careful programme of experimentation and monitoring, you get closer to the sweet spot, which is, you are acquiring customers at a cost that is less than their value to you. At this point you can just ramp up your spend

until the marginal cost dissects the marginal revenue (if you remember your micro-economics). However, it is much more complex than that. The way in which you plan campaigns, the words and groups of words (or phrases) you use, the way you deploy your budget all make a big difference.

In my view the PPC expert has more expertise than a traditional TV buyer. The former is a kind of econometrician, the latter is more like a city trader.

Enough! Search is very important and it is not for amateurs. It is the central part of virtually any eMarketing Strategy and it is so for the right reasons. It drives ROI. Developing a great Search Strategy is an important reflex.

## Buzz

By 'Buzz' I mean momentum, the sense that something is gaining in popularity, the coming thing, hot! It is vital in marketing to create and sustain a sense of momentum for a brand. Notice the use of the word 'sense'. This is not airy fairy brand speak. As humans, much of our behaviour (the thing that translates to \$) is determined by what we sense others are doing. Mark Earls gives the analogy of a flock of birds or shoal of fish. They move in beautiful patterns based on only three rules – there is no leader, at any one time try to move in the same direction, don't bump into each other. How do they do this? They do it by sensing what the other fish/birds are doing and copying. The actual direction they take is not determined by any one fish/bird but by the collective consciousness.

This is the best model for understanding how brands gain popularity (and how they lose it) and it can be measured. There have been a number of tools/models for measuring brand strength. I can tell you that the highest correlation between actual growth and the various brand measures are:

- **The degree to which a brand is seen as different**
- **The sense of momentum it has**

VW is hot, Ford is not. Apple is hot, HP is not. Diesel is hot, Wrangler is not. If any of the 'not' happen to make more money it has nothing to do with their brand and more to do with other aspects of their business model.

In the analogue world you cannot fake different and you can't conjure up momentum (there are a few cheats but they don't really work and kill you if you are found out). You make yourself different, you act differently, you do interesting things that catch people's attention. Adam Morgan ([Eat Big Fish/ Challenger Brands](#)) is very good on all this.

You can't cheat in eMarketing either but a) as a rule it is cheaper & quicker to experiment and innovate and b) you can share all of this with a much, much, much bigger audience to ensure the largest number of people catch this 'sense of momentum'. Look how quickly things like Twitter catch on.

There are specific things you can do to signal your momentum. Simple examples would be Amazon's sales figures and reader comments. In fact Amazon has something like 16 different ways it allows/encourages people to share what they are doing and/or see what other people are doing.

Any eMarketing Strategy needs to address Buzz or momentum head on. It should be planned not hoped for. There need to be specific mechanisms and processes in place that build and sustain momentum. Every opportunity to promote your momentum – links, affiliates, league tables, email this to a friend etc etc – should be used. And in a shoal of fish that numbers in the billions you need to be bold to stand out.

At this point you may be wondering if there are going to be any specific strategic models or techniques on offer – no there are not. I see strategy as a set of questions, and have given you the 6 I think are most important and different for eMarketing (and the eMarketers' reflexes because they are useful guard rails for any strategic thinking).

How you answer the questions is up to you and you are free to use any of the gazillion books on strategy and strategic gurus to help you. Many old school techniques like SWOT analysis and Porter's sources of competitive advantage are still very helpful. Be thorough, be inquisitive, be tenacious in your pursuit of answers – just know the right questions to ask and the reflexes to obey.

## CHAPTER 3

# How do eMarketing agencies work

## WHO SHOULD BE YOUR LEAD AGENCY (IF ANYONE)?

Before getting stuck in to this final topic I want to start with a brief history lesson.

Until well into the 1960's Advertising Agencies were a new concept for many, as indeed was brand marketing.

Brand owners would buy advertising space in newspapers (or other new media like TV) through agents to whom they would pay a commission. The 'Ad' itself was either designed internally or the agent was asked to do it for free as part of their commission.

The client in charge of this was most often the sales director or, in the more avant-garde companies, the sales & marketing director.

Ad agencies are so called because they were indeed agents – they sold media.

Lintas was a big Ad Agency for many years and formed one of the pillars of Interpublic. Many people forget it was an acronym – it stood for Lever Brothers Internal Advertising Services. This was the department in Unilever that 'did the ads' which they spun into a separate business.

David Ogilvy and the other giants of Madison Avenue brought both discipline and superior creativity to the advertising process and the Ad Agency that we know today was born. But they still made most of their money by buying media and their remuneration, up until relatively recently, was based on a percentage of the clients media spend.

This was silly since the Ad Agency could not control the media spend and it often bore little relationship to the cost of the time they put into the clients business or the value they added. It is also ironic since neither the client nor the agency paid much attention to media buying for a long time. It was not the sexy bit of the business. This provoked a few media heads to set up their own specialist media buying agencies and they offered not just media buying but media planning – the more strategic, brand-focused, thinking that helped clients and their agencies to buy more wisely. Some of these were independent e.g. Aegis, and some were just separate businesses, e.g. Mindshare or Zenith, within the larger Groups (now called Communications Groups) such as WPP and Omnicom.

Media is just one aspect of how Ad Agencies have morphed over the years. Remember, they started as media agents but as the appreciation of brand marketing, rather than product selling, grew they developed a wide range of services.

In the 1970's – and much longer for some clients in some parts of the world – a client would turn to their Ad Agency to do:

- Design
- Promotions
- Market Research
- Product Innovation
- PR

In every case these more specialist disciplines are now industry sectors in their own right. They may be independent or part of the big communications and marketing services conglomerates but no-one in their right mind would expect their Ad Agency to be their prime partner for design, promotions etc.

They might expect them to all work as a team. They might look to the Ad



Agency to be their lead agency in this team although this is becoming less common.

But for the most part you don't ask the electrician to fix the toilet or the plumber to wire the house. These days clients are very comfortable with using the right agency to do the right work how ever this may be configured and led.

## The Lead Client

As someone who started out and ended up on the client side, I believe strongly in the notion of a lead client rather than a lead agency. Different strategies and briefs call for different services. There may well be a "Big Idea" but a) it can come from anywhere and b) there will be lots of other ideas, not just the "Big Idea".

The idea that one agency "owns the Big Idea" and should lead is an abdication of responsibility on the part of the client. Yes, we are all partners but be quite clear the client is the one who pays the bills, ultimately carries the can and therefore is the one who should call the shots. Clients should respect agencies and treat them like partners engaged in the pursuit of the same objectives – but they are not really partners.

Any brief can be viewed as either:

- Addressing an issue e.g. 'the brand is declining' or 'a new competitor is stealing our lunch'
- Calling for a task e.g. 'we need to launch this new product' or 'redesign this pack'

Or put another way, any brief can either start with an issue or start with a task. If you start with an issue it needs to be resolved in terms of carefully chosen actions i.e. tasks. If you start with a task, it really helps if you

understand the issue that lies behind the task. “We need to redesign the pack” – why? Because we are losing younger users to a new competitor.

Understand the issue behind the task and you will see better solutions. Equally if you understand the range of solutions, you can more easily resolve the issues.

So any agency should be able both to understand issues and implement activity. Ideally they should be able to do this in a solution neutral way. As the saying goes, “If your only tool is a hammer then every problem looks like a nail”. In the agency world this translates as “If you are design agency the solution always involves redesigning the pack” or “If you are an ad agency the solution always involves making a TV ad”. Why? Because that is what you know, what you understand and, one assumes, what you have a passion for. It is therefore how you make your money.

Depending on the marketing issue – or the issues that are revealed when you look behind the task- there will be a variety of potential solutions. It is rarely the case that a team is not required.

eMarketing agencies are not immune from this. They can often be solution neutral within digital (although an awful lot of them always want to redesign your web site) because, don’t forget, you can’t argue with numbers. Everything gets measured and there is lots of experimentation so if it is all working properly budget and activity should flow to the activities that work best, that is, those which drive the best ROI.

But eMarketing agencies will always start with the assumption that digital is an important part of the solution. I think they can be defended for this. Good businesses are supposed to be ‘consumer centric’ (remember all that Tom Peters stuff) and consumers’ lives are increasingly defined by their use of digital – it has changed the way we communicate, interact, our relationship with companies and brands. Furthermore, whether you like it or not, your

business (and anything related to it) exists in the digital exchange (don't believe me? – just Google it). Whatever you do, you must want to optimize the value of the digital exchanges, ergo, you need digital or eMarketing agencies. While it is possible to think of marketing activity that meets an understood marketing or business issue that does NOT require you to 'redesign the pack' it is impossible to think of one that does not have a digital component.

However, this does not mean that an eMarketing Agency is all you need or even that it should be your lead agency. They may be solution neutral within digital but they are not solution neutral across all marketing activity. Neither do they have the expertise outside digital and, as true as it is to say everything has a digital component, it is as true to say that everything has a non-digital component as well. You may actually need to redesign the pack!

### **To summarize**

- Whether issue led or task led, all marketing requires agencies that can both think (question) and implement.
- Most marketing requires a range of expertise (in both thinking and implementing). No-one agency can literally do it all although one agency can, if you wish, help you co-ordinate it all.
- The client has to own the issues and the solutions. There should be a lead client not a lead agency. The agencies must work as a team and the client must make sure they do this (which involves playing fair with remuneration to avoid 'budget grab').

**So should all agencies be involved in the strategy and the issues?**

No, not necessarily. Some agencies have a greater right to be at the top table at the start of the journey than others by dint of either their expertise or their importance to the implementation. Let me start by defending the Ad Agency, alright, let's call them the Communications Agency if it makes them feel better. They have highly developed planning functions and generally

smart people who have a lot to contribute to the strategic debate. They may not always be the author of the 'Big Idea' but they are an ideas business and strategy should always be creative. And, perhaps this is more pragmatic, they are likely to be responsible for spending a large part of the budget.

Likely but not guaranteed, and they are not the only people with great thinkers and smart ideas. Perhaps the top table should also include the PR Agency or the Design Agency. There is an obvious case to be made for the Brand Consultants although they skew more to the thinking than the implementing- they are really a surrogate client, so the 'client' still needs to address which of the various service (implementing and thinking) agencies should be at the heart of strategy, the start of the process.

It just, kind of, depends.

### eMarketing at the heart of Marketing

But not when it comes to eMarketing. I am not going to make the case for the eMarketing Agency being the lead agency – I don't believe in one lead agency. I won't even make the case for the eMarketing Agency being the coordinating agency if the marketing programme extends beyond digital. It's not their strong suit – they are great at coordinating all digital work and there should be a lead digital agency for digital even if other specialists are also involved.

What I will defend, strongly, is:

- **eMarketing should always be at the top table**
- **eMarketing should be separate from, not subsumed by, your Ad Agency (even if they are owned by the same group)**

My defense of these statements is based on two things.

1. The nature of digital requires it to be addressed right upfront and to be part of developing the marketing strategy rather than an after thought.

2. The way digital agencies work means that they have a unique perspective to offer and they cannot be 'mixed in' with or report to other types of agencies.

I would hope that a lot of this is obvious by now (if not, go back and read "Why is eMarketing different" in the first section).

Business and business/marketing strategy has to be user centric. It is not the only thing you think about and as Adam Morgan rightly says, great brands do not navigate by their users. But they must be central to your thinking. And these days we are dealing with a post digital user.

Everything we do has a digital component. The only choice we make is whether and how actively we seek to manage that digital value exchange. Assuming the answer is 'yes' and 'quite a lot' you need eMarketers at the heart of the strategic thinking

The purpose of strategy is to be able to deliver superior ROI. That requires us to be clear what BEHAVIOURS (not just attitudes) we are trying to affect and how we can measure our success so we can optimize. For digital this has to be thought about upfront.

The digital and the technology may well be THE idea, if not it will surely have a bearing on it. Tell me the difference between eBay's strategy and its technology?

It may help the Design (or promotions, or PR, or even Ad) Agency to be involved in the strategy but it is not always essential. It is essential for the digital or eMarketing Agency. eMarketing starts in the strategic assumptions that are formed and what can be measured to prove or improve them.

Non-digital agencies do not know how (or when) to brief digital people. Their

brains are simply wired differently. They think everything comes off the “Big Idea” and works sequentially. They don’t understand the empirical side of digital and the importance of measurable targets, the need to experiment. The time frames they work to are different.

Traditional Creative Agencies are Picasso (at best) whereas eMarketing agencies are more Leonardo da Vinci – a mixture of Art and Science – which leads to this mixture of strategic and creative.

### **An eMarketing Agency of Record**

What seems clear to me is that all businesses should have an eMarketing Agency of record, just as they have Communications, PR and often Design agency partnerships.

In the case of the eMarketing Agency, they should be part of the formulation of the marketing strategy, the identification of the issues, not just briefed on a task basis.

They don’t just want, they need, measurable goals that relate to a target return on marketing investment.

They also need a more flexible approach to budgeting in order to be able to experiment and test their way to achieving the desired results.

Their remuneration can and should be geared towards results, maybe not immediately, but after 6 months or so.

Not all digital agencies are yet ready for this kind of relationship with clients. Some will themselves be more task oriented and will not necessarily have the kind of strategic planning people that can engage with clients in this way. But that is changing, as it did in advertising and design.

## Covergence

Many people speculate that there will be a convergence between analogue and digital marketing agencies. There is a good article on this subject written by Michael Nutley:

<http://top100.nma.co.uk/register.php>

editor in chief for New Media Age (it is his article to introduce the NMA 100 2009 and you will need to register to access it).

I am not so sure. There was at one time speculation that the big management consultancies might merge with or acquire communications agencies but it has never happened if for no other reason that they are oil and water. McKinsey are deductive thinkers, ad agencies are much more intuitive. The cultures are irreconcilable.

I suspect it may be the same with digital and analogue, the two will never integrate, but who knows. What is certain is that it hasn't happened yet and is not likely to do so in the foreseeable future. So don't be fooled by the fact that both the ad agency and the digital agency are owned by the same group. They need to be treated separately with a lead client not a lead agency.

Media is more arguable and all the big Media agencies, whether independent or part of the larger communications conglomerates, offer digital or 'New Media' as part of the mix. My problem with this is that it treats digital like a 'new media' and therefore misses both the point and the opportunity.

Digital is an exchange, and the role of the eMarketer is to maximize the value of the exchanges for all parties. It is a different world to the one we grew up in, one that is evolving at a mind-blowing rate, and it calls for expert guides at the leading age of the change.

# Do you want to know more?

I said at the outset that this is an overview of eMarketing – what it is, why it is different, how to form an eMarketing strategy and the role of the eMarketing agency. It is aimed at the old school but with the hope of enlightening the new school about what the old school does not understand about them – a cultural appreciation exercise.

As an old school marketer I learned my trade from the bottom up. Long before I had any real appreciation of brand strategy I learned about consumer research, media buying, how to run a promotion, merchandising, the trade, pricing, briefing design. In other words, all the nitty gritty of marketing.

In making the journey into digital – I'd describe myself as being conversant in digital rather than being a digital native – I have learned that the nitty gritty of digital marketing is also important.

There is an excellent [eBook](#) written by Quirk (you guessed it, an eMarketing Agency) which explains the tools, channels and tactics very clearly and comprehensively. It is to their credit that they put the time into producing this and everyone they have shared it with (well over 10,000) really rate it as a solid introduction to eMarketing. If you are interested you can even sit an exam based on the content and qualify as an eMarketer.

If you want to delve even deeper into search in particular there is also the [seobook.com](http://seobook.com)

In fact there is a mountain of information and advice about eMarketing and each individual aspect of it on the internet.

If I can leave you with one piece of advice about digital and eMarketing it is this. You can never appreciate what it is like to swim just by standing at the



side of the pool watching and discussing. You have to dive in.

If you are old school then you just have to dive in to digital. Get on to Facebook, start your own blog, look around for blogs that might interest you, Twitter, buy stuff on ebay and amazon – get your feet wet.

Andy Fennel, CMO of Diageo, was one of the people I spoke to before writing this eBook (I list below some of the other people who were really helpful to me). Andy told me that Diageo made a commitment to digital a while back, that they would devote a rising percentage of their budget to it. As Andy said, they did this not because they knew how digital would work for them but that they knew they needed to know. Not surprisingly Diageo lead their industry in the effective use of digital and are learning more all the time.

Grateful thanks to him and the others that helped me (even if they didn't realize how much they did).

Vinny Lingham, CEO Yola.com

Rob Stokes, CEO Quirk.biz (and all the Quirkstars)

Geoff Whyte, Commercial Director Cadbury's Africa

Will Mellor (aka Seth Rotheram), 2Oceansvibe.com

Jenna Bloch, Kalahari.net

Niel Bornman, clickthinking.com

Mike Bayler, management-issues.com

Chris Satterthwaite, CEO Chime

Adam Morgan, Eatbigfish.com

David Taylor, The Brand Gym

And of course Amanda Woolaway, who amongst other invaluable support she gives me, covers for the fact that I am pretty dumb when it comes to computers.

# About the Author

Mark Sherrington studied Economics and Sociology at Bristol University, which he thought would make him the worlds best marketer. He certainly conned Unilever for a while (1977 – 1988). They trained him in brand management, gave him a few big ones to run and eventually made him a marketing director of their Spanish business. They even brought him into their head office and put him in charge of the marketing of a few global product categories. But he left and with another Unilever maverick (they were rare) set up The Added Value Group. It got sold as part of Tempus to WPP in 2002 after 14 years.

His pockets full of WPP shareholders' money he took up the offer to be Group Marketing Director of SABMiller Plc, a very large company (Footsie top 50 no less) that sells his favourite product – beer.

For some strange reason he gave this up in 2006 and moved to Cape Town from where he runs his blog [marksherrington.com](http://marksherrington.com). Mark continues to advise businesses on marketing and increasingly eMarketing. He is Non-Executive Chairman of [Quirk eMarketing Agency](#).

Mark is author of "Added Value: The Alchemy of Brand-led Growth" (Palgrave).

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THE END