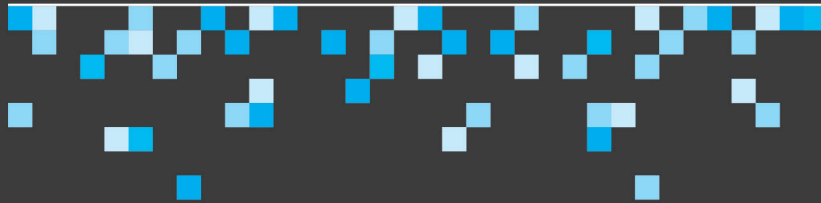


OWNED FIRST

Challenging the conventions of paid, owned and earned media





THE REVOLUTION WILL BE OWNED

For the past 60 years, marketing wisdom has dictated that paid media – notably the 30-second TV spot – has had priority over all other aspects of brand building. The limitations of the TV spot have dominated both media plans and the collective marketing mindset. This has led to a state of reductive, or simplified, thinking in marketing, focused on “how can we tell the story quickly” and “how can we reduce brand meaning down to its most singular expression?”.

Does this approach make sense in the digital age? We are emerging from the era of ‘reductive branding’ into an era of ‘fluid branding’. Reductive brand building prioritised the creation of a 30-second story, and marketers used this approach as product differentiation was limited and research and development pipelines were slow-moving. Not only did marketing seek to limit meaning, but it also sought to attach abstract concepts to brands (values, personality, essence etc.) Today, brands need to ditch the abstraction and focus on authentic purpose.

Fluid branding accepts that, today, things move fast and are more complex. Fluid branding understands that marketing should be orientated towards creating powerful owned assets, which are more influential than paid media. The limitations

of a 30-second spot are being replaced by limitless global connectivity and the boundless possibility of the internet. And we believe that for ZenithOptimedia and our clients, this new approach should be Owned First. Placing owned media at the forefront of a communications strategy means that the experience that brands deliver through their owned channels and assets is their primary route to success.

Owned First brand building is less limited, more fluid and places user experience at the heart of the story. Owned First has been made possible - moreover made necessary - as digital communications and brand experience become indistinguishable. Digital stories develop organically and this world of possibility requires human, expansive, experience orientated brand building that emanates from an authentic voice.

In the digital era, people don't take things on trust. They value real experiences, peer guidance and expert recommendations. In the digital era, the lines between product and service are blurred. Brands that are achieving the strongest bonds with consumers, eg Google and Amazon, have been built without abstract concepts or advertising.

FLUID BRANDS DELIVER A VALUE EXCHANGE

O2 created a series of online films about how to look scary at Halloween

Educational



#lookscary



Entertainment



Ballantines Plan B



Ballantines transformed brand perception through a music creation partnership

Vanish became a 'go-to' brand by offering stain removal advice on its website

Utility



The Tip Exchange



Reward



Mamma Che Style



Chicco's Urban Stroller competition made 5 mums Vanity Fair stars

Source: ZenithOptimedia, 2014

OWNED FIRST: THE NEED FOR A FLUID APPROACH

The reductive paid first model has been broken by technology and the impact it has on business and consumers. In the past, business was more linear. Products were products and services were services. Marketers ability to differentiate was slowed down by research and development. Businesses now move quickly to expand horizontally and to build service propositions from products. Progressive brands can now make virtues of complexity and diversity. For example, Nestlé's coffee business has evolved from instant granules to include Nespresso machines and coffee capsules available exclusively from Nespresso outlets.

Nestlé's brand-building requirements for its coffee businesses have changed dramatically as service experience becomes a crucial factor in success. Nespresso's brand messaging would not be well served by a reductive approach; as a product and a service it requires depth of meaning and expression.

Fluid businesses need fluid brands. Smart thinkers saw this coming some time ago. John Grant was a visionary marketer who posited the idea of 'coherent' rather than 'consistent' brand building in his 2006 book *Brand Innovation Manifesto*. His molecular brand structure was the forerunner of the brand

ecosystems that are being written about today. This model is a collection of experience-led stories about the brand that captures its authentic voices and behaviour. Starbucks is a non-digital brand living in the digital era and is profoundly Owned First.

Fluid brands that win the game through an Owned First approach deliver meaningful value exchanges with consumers. These may vary by segment or level of loyalty, and ZenithOptimedia has put this thinking at the heart of our strategic planning approach.

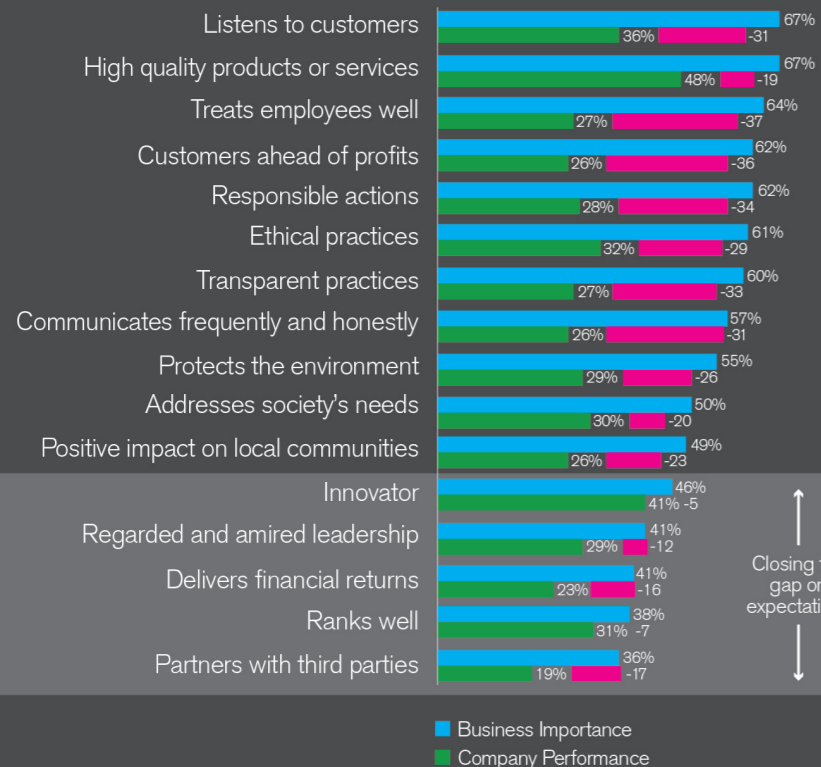
So, consumers, or rather people, are changing. Technology allows them to research and critique claims, and leads them to value experience more. We have moved from the conspicuous consumption of the reductive era to discerning consumption led by user experience. Discerning consumers have less intrinsic trust in business and brands.

Discerning consumption values smartness over status. Today's winning brands offer the consumer a real value exchange based upon experience. A new school of marketing people, trained at today's fastest growing, digitally-orientated brands,

THE TRUST BAROMETER

How important are each of the following actions to building trust?

How are companies/government performing on each of the following attributes?



Responses 8-9 only on 1-9 scales, 9 highest; General Population in 25 countries

Source: Edelman, 2012

recognise this and are rewriting the rulebook. According to Edelman's Trust Barometer 2012, trust in business fell by 3% year-on-year. In mature economies this ongoing trend is even more pronounced. The things that drive trust tend not to be the things typically talked about in paid media.

Looking at how businesses and governments are meeting our expectations, 'innovation' and 'performance' rank relatively low when compared with 'responsiveness' and 'ethics' (see Edelman's Trust Barometer). The latter tend to be in the realm of owned channels and assets. Owned First brand building capitalises on great experiences around what the reductive era saw as the 'back story'.

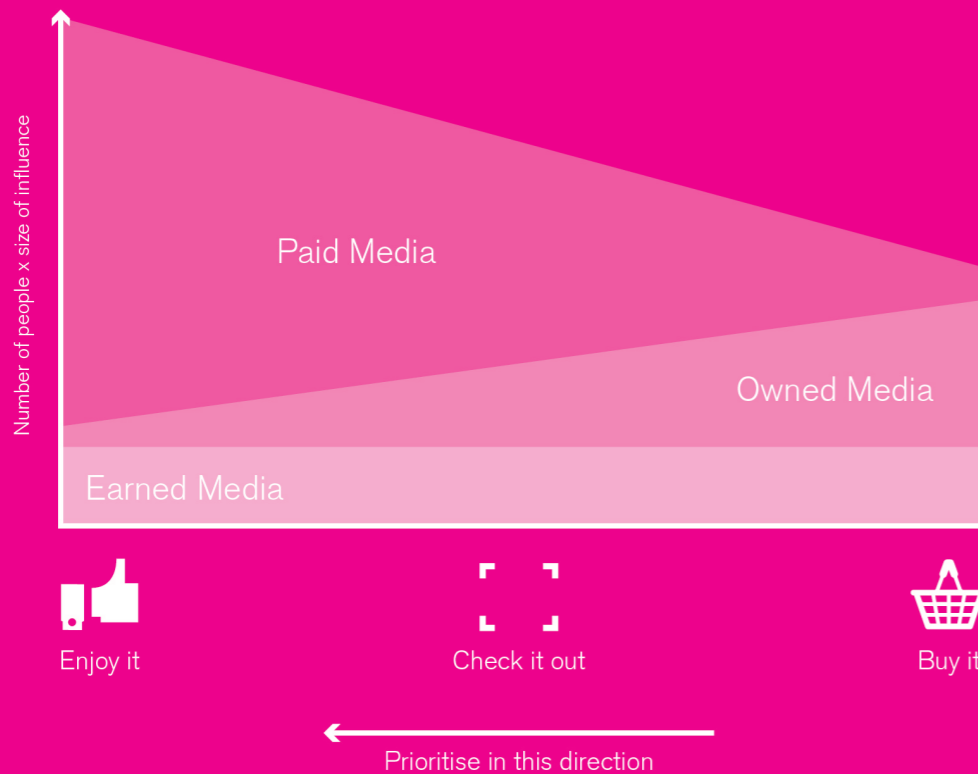
Today, your experience is your brand. As Millard Brown said in *Brand Z Top 100 Brands 2013*: "Stand for a higher purpose: the best brands are built on an ideal that encompasses not what people buy, but what they buy into." Value statements on a marketing key, 'union' or pyramid are unnecessary. Great digital era brands need a clear purpose and a looser but coherent series of definitions that reflect authentic experiences.

Owned First brands with clear purpose appear in all categories. Google's purpose is to organise the world's information and make it universally accessible. In contrast, Vanish's purpose is to be an expert in all aspects of stain removal. These two brands are different in their roles but are united in their Owned First approach to brand building.

The Owned First canvas is a big one. Marketers and agency teams can, understandably, suffer from paralysis when faced with an almost unlimited smorgasbord of data, content formats, distribution channels and technology platforms. Limitless possibility is not necessarily a good thing for consumers or brands. This overabundance of options lies at the core of complaints from marketing practitioners about how difficult it is to be successful in today's marketing landscape. Adopting an Owned First communications strategy enables a brand to cut through these complexities. Delivering seamless, well-connected user experiences through a brand's owned assets should be a marketer's primary focus for three reasons:

- Short term revenue optimisation
- Optimising the 'influence mix'
- Meeting consumer experience expectations.

OWNED MEDIA'S INFLUENCE ON THE CONSUMER JOURNEY



Source: ZenithOptimedia, 2014

DELIVERING A SEAMLESS USER EXPERIENCE

SHORT TERM REVENUE OPTIMISATION

Owned media enjoys a relatively high degree of influence on users in the consideration and purchase phases of the consumer pathway (as illustrated left), especially when compared to paid media, which dominates nearer the beginning. Therefore, revenue can be maximised fastest by focusing efforts nearer to the point of purchase.

By focusing on owned media first and by optimising organic search visibility and conversion rate, paid media works more effectively as it is driving users into an efficient owned media environment. It also reduces the reach required from paid media (as illustrated on page 10) for a brand that is looking to acquire new users and incremental revenue through a web-based sampling mechanism. So owned makes paid more effective in the short term.

OPTIMISING THE 'INFLUENCE MIX'

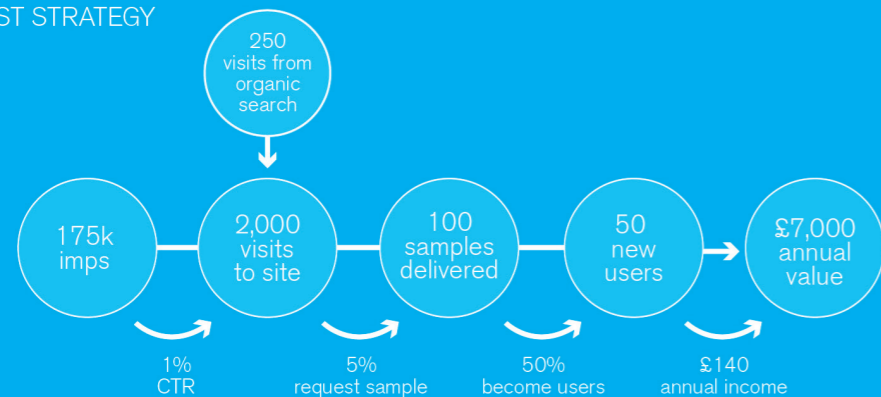
Touchpoints ROI Tracker is the world's biggest single source channel effectiveness database. It has charted the changing nature of influence across paid, owned and earned channels over the past decade, proving categorically that owned channels are 30% more influential on average than paid channels.

Earned media is even more influential. However, meta-analysis of the Touchpoints database shows that, in the majority of cases, earned media acquired is directly proportionate to the quality of the paid and owned brand experience. Brands that convert paid to earned most efficiently excel in owned media brand experience. Given that adopting an 'always-on' paid media approach is not sustainable for most brands, owned media becomes crucial to maximising earned acquisition.

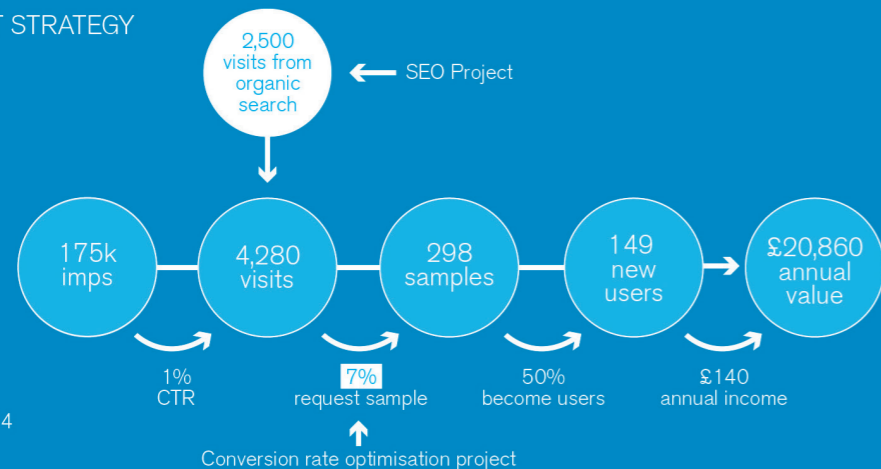
What is interesting is the changing nature of influence amongst owned channels, particularly amongst the under 25s. In the digital age, owned channels that allow a brand to publish

HOW OWNED INVESTMENT ADDS SIGNIFICANT VALUE TO BOTTOM LINE

BEFORE OWNED FIRST STRATEGY



AFTER OWNED FIRST STRATEGY



Source: ZenithOptimedia, 2014

its stories have grown significantly in influence. Not only has the influence of social media increased, but channels such as customer magazines have also grown in influence from 2005 to 2013.

The evidence suggests that brands that are regularly publishing high quality content are prospering in this new landscape. Go Viral evaluated the depth, share-ability and quality of the video assets held by Interbrand's Top 100 companies. When crosschecked with brand value growth by ZenithOptimedia, we saw that the 20 brands with the best video asset performance were growing 55% faster.

MEETING CONSUMER EXPERIENCE EXPECTATIONS

Users increasingly expect brands to provide a well-structured, seamless cross-device experience. They become frustrated if this is not available and will seek out other brand options. As far back as 2011, IBM, in its *Mobile Consumer Experience* report, found that 85% of respondents expected their buying experience on mobile to be as good as on desktop computer.

An Owned First strategy recognises that the user experience has become a key element of brand communication. A brand builds its standing in the minds of the target audience by

prioritising the performance of owned assets and improving the consumer's experience. Marketers should focus on creating a seamless user journey, tailored to the user's preferences wherever possible, and designed to push the user towards a tangible goal that equates to business success.

When activating an Owned First strategy, channel prioritisation should be based on relevance. In all instances (perhaps with the exception of launching a completely new brand) the most relevant audience is the one already interacting with a brand.

An Owned First strategy must maximise the conversion rate of visitors to the brand's owned media assets through conversion rate optimisation (CRO). The strategy must also ensure visibility in organic search results against the brand and product keywords through search engine optimisation (SEO).

By allocating budget to these channels before others, an Owned First strategy enables a brand to leverage the engagement potential of branded content. Channels such as CRO and SEO are powered by content that adds value to the user experience. Therefore, budget should be allocated to creating best-in-class platforms, such as websites, Tumblr, YouTube etc. Attention must be paid to functionality, structure and design in order to facilitate indexation by search engines, improve conversion rate of users, and encourage sharing of content across the social web.

FRAMEWORK FOR DEVELOPING A BALANCED OWNED FIRST STRATEGY

 Applied to Twitter activity for illustrative purposes



Source: ZenithOptimedia, 2014

SEO and CRO are complex disciplines. Google's natural search algorithm is estimated to have over 400 inputs, and there are myriad ways to incrementally boost landing page conversion rate. The key to success with these channels is to make sure all of their facets are explored by the strategy. The deployment of a simple planning framework helps to make sure no stone is left unturned.

Building a great user experience should be the overarching goal when constructing this framework. And, in any owned media project, there are three key groups that require great experiences:

Consumers

They require great content, functionality and service. In return they generate earned media for a brand.

Bots

They require accessible, clean, unique, well-defined pages and data. If this is provided they will ensure your brand is visible in more relevant places across the web.

The Brand

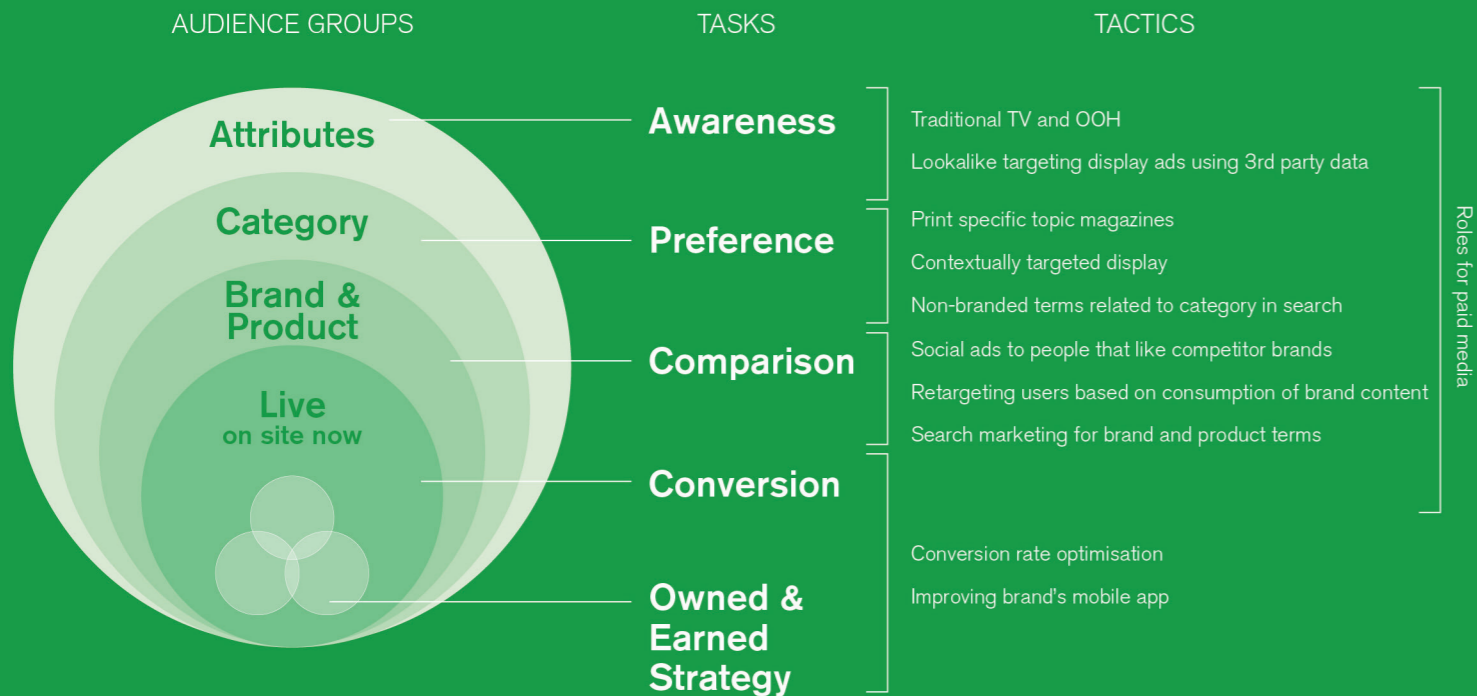
The team behind the brand requires a clear demonstration of ROI, and will reward this with further investment.

On page 12 is ZenithOptimedia's planning framework for owned marketing activities, which caters for the needs of all three key groups.

CRO and SEO focus on the most relevant users for a brand: those already on the brands site or searching for a brand and products by name. Once they have been activated, other channels can be addressed. The marketer should work outwards, communicating with audience groups in order of diminishing relevance. A typical first step would be to target the search engine results pages (SERPs) for non-branded category search terms through natural and/or paid search. Beyond that, digital paid media solutions would be activated to reach tightly defined audiences with a presumed higher conversion rate. Following this, the priority would shift to broader awareness media types where wastage is higher.

At this stage, when the targeted use of traditional channels is being contemplated, the brand should have accumulated significant amounts of data on which messaging works most effectively. This ensures that more traditional and expensive channels (at least on a cost per aquisition basis) can be activated on the assumption that as much as possible has been done to maximize ROI.

PAID MEDIA: WORK OUTWARDS BASED ON RELEVANCY

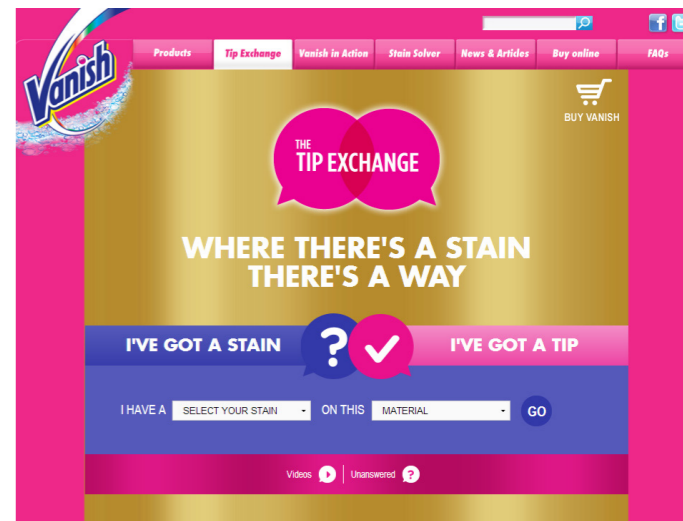


Source: ZenithOptimedia, 2014

PUTTING OWNED FIRST INTO ACTION

A good example of an Owned First success story comes from the FMCG sector, which has traditionally been wedded to TV advertising. In the UK, during 2012/13 Reckitt Benckiser's Vanish stain remover enjoyed a 25% increase in revenue, and a 30% increase in market penetration. In order to achieve this, Vanish relaunched its website as a resource for people in the 'help!' moment, where tackling a stain was their only priority. After acknowledging that users may not have immediate access to their product, Vanish created genuinely useful and shareable content on different stain types. And this content was hosted on a site conforming to SEO best practice. As a result, traffic from users searching non-branded terms, such as 'stain removal tips', increased 1,000% in 18 months. Vanish became an Owned First service.

Vanish's brand team also wanted to encourage repeat usage, so they sought to grow an opted-in social audience. Through helpful stain removal videos, Vanish started a Facebook community for sharing stain removal tips. Users began to post their own tips for tackling stains and 'The Tip Exchange' became a useful resource for the target audience of parents and carers. The best content from this community went on to be used in paid media; both targeted display and wider broadcast channels such as TV. Vanish now globally advertises an Owned First service, not its product.



WHAT SHOULD MARKETERS DO NEXT?

Owned First is a change of mindset. It reframes roles and priorities. It doesn't exclude advertising, but focuses on brand purpose and brand assets. How brands are built in the digital age - and increasingly how they will be built - is via an Owned First approach.

Owned First brand building is less limited, more fluid and places user experience at the heart of the story. Owned First has been made possible as digital communications and brand experience become indistinguishable.

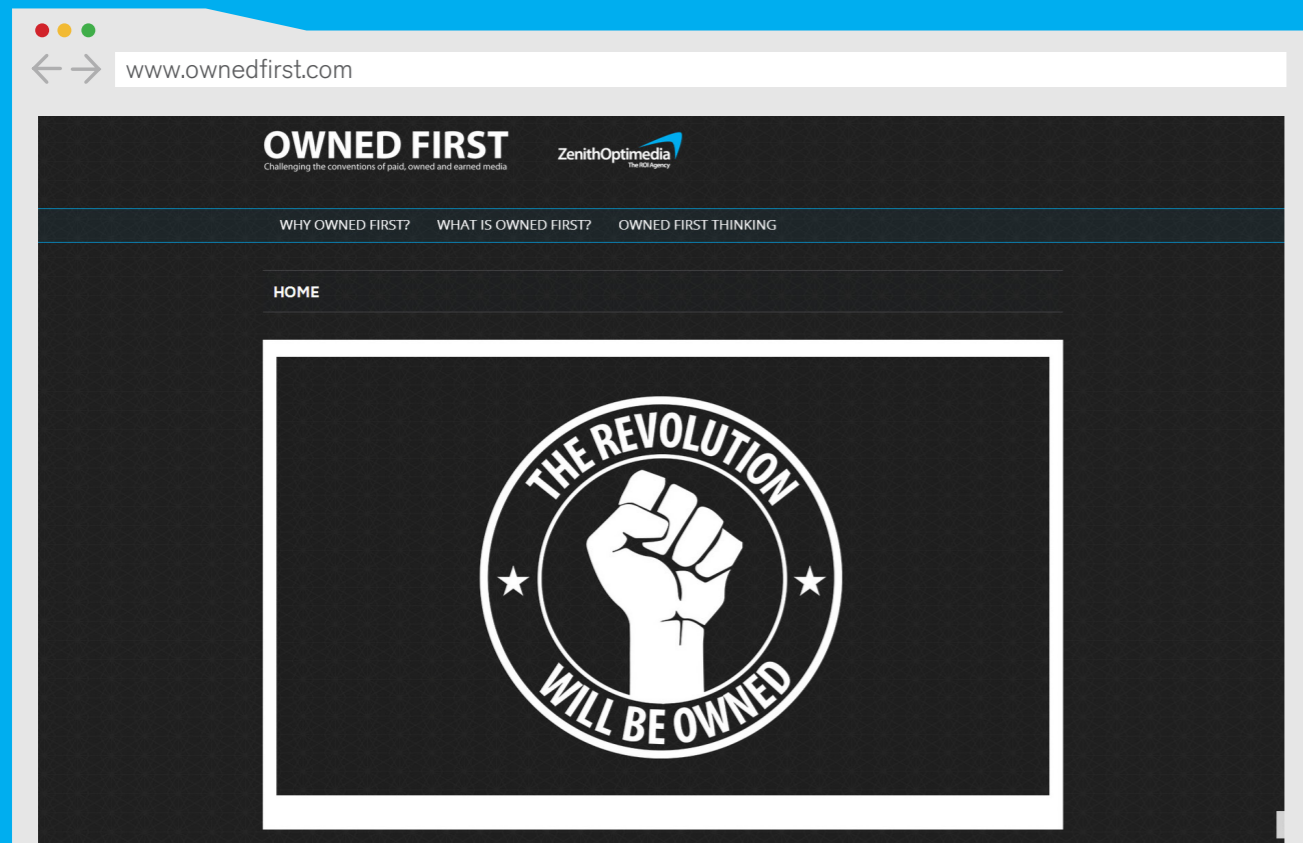
Brand owners should recognise that it is more efficient to assert control over their chief communications asset rather than to rely on rented space. Furthermore, Owned First stimulates the full ecosystem to deliver greater ROI. We have established the key role for owned in transforming paid to earned media.

So what should a marketer seeking an Owned First approach do next? Recognise that your brand is made up of experiences not abstractions. Ditch reductive thinking and open up to a more fluid model. No more pyramids and no more brand personality.

Owned First subverts the natural order of things. It turns products into services. It makes the website the master and the TV ad the slave. User experience and SEO experts become key players in delivering Owned First communications. Most importantly, Owned First subverts the creative process and opens up a limitless world of possibility to ambitious thinkers.



KEEP TRACK OF THE OWNED REVOLUTION!



ABOUT ZENITHOPTIMEDIA

ZenithOptimedia - www.zenithoptimedia.com - is a leading global media services network with 250 offices in 74 countries. We are part of Publicis Groupe, the world's third largest communications group, and the world's second largest media counsel and buying group. As the first agency to apply a rigorous and objective approach to improving the effectiveness of marketing spend, ZenithOptimedia delivers to clients the best possible return on their communications investment. This philosophy is supported by a unique approach to strategy development and implementation across the full spectrum of paid, owned and earned contact points – the Live ROI planning process. The ZenithOptimedia Group of companies equips our clients with a full range of integrated skills across communications planning, value optimisation, performance media and content creation. Our key clients include Armani Group, ASUS, Aviva, BBC Worldwide, Bacardi-Martini, Electrolux, General Mills, Lactalis, LVMH, Nestlé, News Corporation, L'Oréal, Oracle, Kering, Qantas, Reckitt Benckiser, Richemont Group, Royal Bank of Scotland, Sanofi, SCA, Telefónica O2, Toyota/Lexus, Verizon and Whirlpool.



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