

## Digital Thought Leaders

Dominic Lyle

Director General of the European Association of  
Communications Agencies (EACA)

Presenting the agency view of digital

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Making sense of a digital world

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#### Speed read

Online advertising has grown rapidly, but is still not getting enough of a brand's focus

The web is playing a key role in marketing, and agencies' understanding of how to employ it has crossed a threshold

Significant challenges, such as audience measurement, remain

The regulatory threats of potential European legislation are real and significant, yet for many executives they are too distant to demand practical action now

Advertising as a discipline is evolving, and there is now a migration of many campaigns into multi-channel communications that own 'themes', events or 'platforms' – something web marketing should really benefit from

## Changing media landscape across Europe

### The agency view

#### Towards a fair share

"Online advertising is still not getting a fair share of media spend and it's youth means that some of the challenges it faces are simply those of any young medium", Dominic Lyle is keen to point out that its structures, jargon, and offers to clients are all improving fast, but he is also conscious there remains a time-lag between where customers are when marketers follow.

While on the one hand Europe's cultural diversity delivers an experience in marketing much broader than other similar size markets, at the same time Lyle is seeing common patterns across many European markets, with particular challenges uniting agencies in the larger markets: "The greatest challenge most agencies have today is to achieve cut-through, and after that it is managing the balance between media to create the most effective use of multi-channel marketing."

### "Online advertising is still not getting a fair share"

These challenges are themselves changing fast against a background of a rapidly unfolding new landscape of media, audience fragmentation, and an increasingly marketing savvy consumer. Even without the arrival of the web and the new digital tools, marketing strategists were set for a tough challenge.

Lyle is no fan of technology for its own sake: "Clearly the web is playing a key role now, but that wasn't the case in many market sectors back in the dotcom boom. As the audience numbers have increased, the industry has matured, and that's a good thing for clients, agencies and the consumer".

### "Clearly the web is playing a key role now"

#### Challenges remain

Suggesting that the maturity in the market is leading the web to offer a viable alternative to traditional media, Lyle is quick to articulate two key areas that industry needs to address: Measurement and Control.

The measurement challenges are well documented, and have been acknowledged in all European markets, but solutions are slow to emerge and require the industry to act cohesively. On the one hand online offers an environment that churns out data and management information with a promise of census-style accuracy, creating more insights into measurement than any other media channel could aspire to. Yet on the other it has failed to deliver acceptable reach and frequency planning tools in most markets. Many agency planners await the arrival of truly comparable currencies and cite this as a reason for only token use of online. If the reach and frequency of an online campaign cannot be integrated with other media into the planner's dashboard, then there remains a sizable barrier to increasing investment in online, in spite of a belief that their brands' customers are already on the web. With Germany, Italy and the Netherlands already testing new approaches to online planning, Lyle is watching closely the developments in many European markets.

### Legislative threats

If enhancing the audience measurement tools available sounds like a long term challenge, it's nothing compared to the ceaseless debate in the corridors of Brussels about the potential for legislation that will restrict some aspect of the freedom to advertise online. The Brussels lobbies are Lyle's home patch, rambling from debates about data protection to consumer protection. Even some of the legal anchors the internet industry has already fastened are threatening to drift. When we meet, one of Lyle's current concerns is the 'Country of Origin' principle that covers web marketing and ecommerce, or more specifically, the threat of opening up the debate as to whether this should be the case. In a fast moving, youthful industry, these issues are way beyond the horizons of many firms, yet protecting the industry from inappropriate regulation is key if Europe's companies and markets are going to be given the freedom to become all they can in the digital networked economy. Our interview takes place not far from the European Commission's buildings in the heart of Brussels, and it's hard to understate the potential legal impact further European Directives could have on this industry.

Talking with Lyle, what also becomes clear is that much legislation impacts online more by accident than design. As the world's first global medium and trading platform, challenges of geography, technology, and contractual laws all collide with wider debates about consumer protection and the balance of power between the state, the firm and the individual.

But Lyle's concern also extends into the process: marketers simply don't seem engaged enough in these debates, and that absence of voice could easily allow permanent restrictions to slip through.

### The mix of media is evolving

"The role that each medium plays in the campaign is changing too," explains Lyle, using Nike's recent Freestyle campaign to support the point. Marketers are developing evermore sophisticated ways to tap into the greatest strengths of each media channel. In Nike's campaign, television programming was used for engagement and television advertising was used for brand building. Online was used as the focus for immersive content and direct response, however interactive viewing and voting could take place through texting and interactive television. At the heart of the campaign ideas was a fusion of music and sport that gave the brand a holistic way of touching consumers: "you could never have done this with just TV or just the web," he says. "New models are evolving here, if you look at how a brand like Nike has used advertising opportunities even inside a computer game, it's really extending its messaging".

## "The role each medium plays in the campaign is changing"

Mobile telephones are becoming a greater element in the mix within Europe and texting is forming a powerful return path for customer communication. Mobile is also an increasingly powerful way of joining up other applications like MP3s, websites and games. "People in agencies now realise how all this glues together. Of course in a young industry there remain challenges in developing the right structures to achieve this, but the major leap in thinking has now been made. Clients are driving this and it's a huge opportunity because the internet has so many tools, products and platforms".

### Future trends in advertising

"The recession in advertising has forced clients to think about new ways to deliver that elusive cut-through. They're thinking more creatively and that means the advertising has to work harder". The internet industry is well-placed to benefit from this for many reasons: the time of day and environment delivers cut-through, the return path allows real customer dialogue, the structure of the medium draws audiences together around platforms of activity. This last point is probably one of the most profound for online's future, because as brands like Nike gravitate to aligning themselves to specific events, people, cultural issues and editorial environments, the web can deliver on that promise.

Progressive brands like Nike are already demonstrating a migration out of a media-based mindset to one that focuses on these platforms – in their case key genres of sport and street culture. Who will be next to follow?

## Actions

How does the migration to 'platforms' apply to your campaigns?

Which are the easiest pan-European platforms for you to use?

Consider how to measure which media channels are working hardest in a campaign

Examine how online media are making themselves comparable to traditional media

Access more Digital Thought Leader interviews and editions of Digital Book Club

## Resources & Links

DigitalStrategyConsulting.com – for more Thought Leader profiles of people breaking new ground

Digital Europe – A Digital insight Report reporting the latest online ad spend statistics

Eaca.be – home of the European Association of Communications Agencies

### About Digital Thought Leaders series

In times of huge economic and social change, knowledge becomes a critical success factor. We created the Digital Thought Leaders interviews to bring you closer to people and brands shaping the digital networked economy. They are based on private interviews or lectures we've participated in, and are published monthly. We also publish similar insight papers to accompany our own talks and training workshops, to unlock the potential of your team.

### About the author

Danny Meadows-Klue has been a commentator on the digital networked industries since 1995. He managed the UK's first online newspaper and has helped run web businesses ranging from mass market portals and consumer magazines, to online stores, search and email services. Among his industry roles he is the co-founder and former chairman of the UK and European Internet and Interactive Advertising Bureau, and has been lecturing on digital marketing for more than a decade. He set up Digital Strategy Consulting in 2000 to help firms unlock their potential in the digital networked economy.



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