

Digital Thought Leaders Christopher Wagner

CEO
24/7 RealMedia

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“The fact we know our online users and we know them in real time is the key.”



Christopher Wagner, CEO of 24/7 Real Media Europe, talks about the keys industry needs to use to unlock the next wave of client investment. Since taking the helm of their European operations in 2001, he has been pushing hard to help clients discover what these new technologies can deliver for their business, and also to ensure industry can deliver on its promise of targeting.



Making sense of a digital world

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Speed read

Marketing is changing, audiences are fragmenting

New digital tools are key to unlocking new doors for marketers, not only bringing greater efficiency, but changing the way marketing works

The cookie gives 'a sense of memory' media has never had before. What began with simple frequency-capping has evolved into sophisticated targeting based on the customer's observed behavior; unlocking more value to marketers and more potential for web publishers

New era for marketing

"The 30second TV spot is in trouble, and it will get worse", opens Wagner, clear from the start that marketing is in a period of rapid change. For Wagner, the internet is not simply another distribution channel, it's the gateway to a new approach for marketers.

Fragmentation and new tools

The fragmentation of audiences is accelerating rather than easing and the effect on media planning has been dramatic. Across Europe television's supremacy as the leading brand-building tool has been challenged, and increasingly clients are accepting that the new digital channels give them a way of cutting-through to reach customers on the terms the customer wants. Add to that the way that an online ad can become a gateway to discovering more about a product's features or engaging further with the emotions of a brand, and it's easy to see why clients are moving so fast to the web.

Wagner's search business takes this even further. Search marketing delivers the messages just at their moment of a customer's greatest interest in the product, so it is easy to understand why direct marketers across Europe have seized upon search as the key new tool for customer acquisition. With spend on direct mail suddenly declining in the UK, what began as a small scale phenomenon has clearly gone mainstream.

But for Wagner we're only part of the way there: "the media model that has been dominant for the past 40 years is bound to change, but the changes will be slower than many in the online industry would hope – we need to be realistic about what we can deliver, and how we pitch this to a marketing community that is still discovering what online can do for them."

Structural challenges

This means working deeply with the agency and client communities in every market, but Wagner is skeptical about how agencies initially respond to digital: "sure there are some digital specialists that raced into the medium and made a point of discovering how it works, but we find that often it's the client that really is driving the need for changing the way they work. They are less interested in the medium than in results, and welcome innovative thinking from any source." The words echo with those we've heard from heads of advertising in client companies across Europe, and while the gap may be closing, there is still some way to go, particularly outside of Scandinavia, Germany, the UK and France, where online has started to weave itself deeply into the media mix.

Will the platform model become the new 'norm' for leading brands?

One of the theories we've been testing about the growing impact of online for branding is its ability to deliver on key platforms; brands that anchor their brands to specific celebrities, sports, events, music and cultural issues readily find the content offering they are looking for on the web, and thanks to the technology infrastructure that underpins online media, they have the opportunity to dominate that environment and maintain long term relationships with the viewers.

However Wagner is cautious about extending these models from the youth or luxury goods markets and suggesting they will become dominant: "We know this is compelling for youth brands and for vertical segments such as travel or automobiles. But does this really work for a mass-market FMCG product like a bar of soap?"

What does the internet really do best?

The challenge many new to the industry face is that online works across every part of the advertising and marketing spectrum, from PR to sales to customer relationship management. Singling out a specific benefit is difficult because it runs the risk of ignoring a host of features that set the web aside from other media. Wagner has no illusions and on uniqueness says it's simple: "it's interactivity and understanding user preferences, all based on the cookie".

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Cookies are key

He is clear that the technical relationship that enables websites to remember people by the computers they use sets online apart: "the fact we actually know our users, and know them in real time is the key. The way cookies unlock personal relationships between websites and viewers is something no other media can do. Tools like frequency capping and behavioral targeting are just the start of an unfolding landscape within which we can be ever more personal in our communication. This re-targeting of customers, based on their expressed preferences, is unique".

There are clear implications for industry as, yet again, the corridors of Brussels are filled with talk about privacy and whether there should be restrictions on cookie use. When, recently, the United States government lumped cookies in with bills on spyware there was a loud cry from

the online industry, but ambivalence from consumers. Consumer understanding of how and why cookies are used, and how cookies benefit consumers, remains weak and confused. In many European markets the national press has done little to help demystify this and the legacy is a challenge industry has to tackle.

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Can online grow faster?

The answer is clearly a loud Yes! Wagner's argument that the web is now a real alternative to television is clear in theory, but not in the practice of many media buyers. In the debate about how you can make this easier for the buyer, his answer is that old buying patterns simply change slowly and the industry has to find the leading casestudies from the new economy and use these as examples of how marketing can be bettered.

Many media planners claim that data integration – pouring online reach and frequency data into their planning tools - is the only way to unlock further brand investment in the medium, but the roadmap for achieving this is either unclear or slow in many markets. This means that industry needs to find quicker, compelling solutions to bring clients into the web, and with 247RealMedia's reach across so many European markets, you can be sure that whenever one market cracks that challenge, they'll be spreading it through the network quickly.

Actions

Reflect on how your business uses cookies and check that you have a clear and accurate cookie policy in place.

Explore the new forms of targeting - such as behavioral targeting - that utilize cookies and take the potential of relationship management to a new level.

If your firm relies upon these tools then get gemmed up on the changing data protection landscape; contact your IAB trade association for more

Resources & Links

247realmedia.co.uk – for the latest in targeting from a leading network

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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 accelerate their own digital networked media strategies.



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