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MERRY CHRISTMAS TO THE MISFITS AND THE MAKERS

If there is one thing The Drum likes to champion, it is the people who do things differently. Throughout 2014 this magazine has celebrated the marketers and agencies, misfits and makers, who believe they can change for the better what others simply accept as the status quo.

Perhaps that is why we were so drawn to Tom Le Bree at our recent Disruption Day event. Tiring of simply “floggin fizzy drinks to an already fat nation,” the Rehab Studio partner got thinking about whether childhood obesity and other serious real-world problems could be solved with the same kind of creative thinking that caused them in the first place.

On page 10, we document Le Bree’s efforts to get fat children fit by turning exercise from a chore into a game that blurs the real and virtual worlds to appeal to kids whose only idea of physical activity is exhausting their thumbs on iPads and PlayStations.

This is the stuff that really matters when we talk about disruption. We have written a great deal this year about incredible technologies that have the potential to transform whole industries – and there is even more to marvel at on the following pages. But the key to their success lies in using them to satisfy real human need and make our lives better.

Those needs don’t always have to be as grand as saving the world – it can be delivering people’s parcels quicker by deploying drones (p12) or using beacons to give shoppers discounts and other incentives as they move round stores (p36). Uber, for all its recent sins, is a strong contemporary example of how clever technology can solve a problem people didn’t even know they had; now many of us can’t remember how we coped in the days when we had to hail cabs ourselves.

“It’s sometimes easy to forget who you’re doing this for,” says Philips innovation honcho Antonio Hidalgo in our Day Before Tomorrow feature on page 14. “We’re all technologists. I love technology, I love science. Sometimes I can fall in love with those things but I have to have the discipline to ask myself, am I doing this for the consumer, or am I doing this for myself?”

Amid all this innovation, marketing remains a communications business. The crucial thing is keeping the consumer – that’s people, lest we forget – at the heart of what we do. Because ultimately, your business, your agency, lives or dies by your ability to communicate effectively with them.

So for the last 12 months, we’ve been parading the industry’s smartest minds and most incredible innovation. The question now is: how are you going to use them in 2015?

Until then, have a very merry Christmas and we’ll see you in the new year.
Could Huawei be the next Alibaba?

With its recent IPO raising over $25bn, Brand Union’s development director for Asia Pacific, Andrew Harrison, ponders whether Chinese telecommunications giant Huawei could be next to crack the west.

Who is Huawei (pronounced How-why-e) and why is it not yet celebrated in the same way as Alibaba?

On the one hand it is another Chinese economic miracle. Founded as recently as 1987, it is now the largest telecommunications equipment maker in the world. It has over 140,000 employees and invests a staggering $5bn a year in R&D. Its products and services have been deployed in more than 140 countries and it currently serves 45 of the world’s 50 largest telecoms operators.

Its breadth of operation – networks, handsets and services – combines the separate western silos of landline operators (think BT or AT&T), mobile networks (like Vodafone) and handset manufacturers (like Nokia) in one.

Huawei’s livelihood is innovation. It is involved in over half the rollouts of super-fast 4G mobile networks so far announced in Europe.

So far, so typical for rapidly expanding Chinese enterprises, and yet western sentiment has not yet fully embraced Huawei.

Perhaps the reason is the uneasy transition for the west as Chinese telecoms firms expand from their vast home market to become global players. This is a worry for the rich-world telco incumbents under threat for market share.

It’s also a new challenge for those responsible for the integrity of critical infrastructure such as phone systems. Post-Snowden, everyone is increasingly aware of governments of all political colours and countries are careful to both exploit and protect sensitive communications networks and software.

Perhaps unsurprisingly, protections run deepest in America. Huawei has worked on networks for a number of smallish US-based mobile operators there, but repeated attempts to buy American tech firms have been scuppered by official opposition.

By contrast, in Britain, Huawei set up the Cyber Security Evaluation Centre in Banbury in 2010 as a new way of persuading purchasers (and the British government) that equipment from the manufacturer that runs it can be trusted.

It operates in close co-operation with GCHQ, the UK’s signals-intelligence agency, and its security-cleared staff are responsible for making sure that the networking equipment and software Huawei sells to British telecoms companies are reliable and secure.

So, slowly but firmly, Huawei is expanding its footprint into new markets, and in the red-hot commercial battle of modern day telecommunications, it looks like it will be a key player for all to consider over the next decade and beyond.
Snapchat money move highly underestimated

Snapchat’s new cash-sharing device, the unpopularity of Google Glass and the future of connectivity were all tackled by Shift 2020 technology innovation strategist Rudy de Waele at The Drum’s Disruption Day.

John Lewis to extend JLabs incubator scheme

John Lewis will extend its JLabs start-up incubator scheme to 2015, having begun working on a new click and collect service with this year’s winner Localz.

Snapchat’s foray into money sharing is indicative of how messaging apps will evolve, according to Shift 2020’s Rudy de Waele, who also believes Google Glass is unlikely to take off with consumers.

Speaking at Disruption Day, de Waele reeled off the numerous areas in which sectors are radically changing as a result of new technologies, and listed Snapchat’s new cash-sharing service as a “highly underestimated” move.

He referenced its latest agreement with Square – a system which lets users transfer money from within the app – as a development which will set the bar for all other messaging apps, who are likely follow suit.

“Everyone highly underestimates the power they have. The deal with Square where you can send money on Snapchat form within the app – all messaging apps will start to do that.”

He also referenced Google Glass as a product which consumers are simply not ready for. “Google Glass is not a liked device. It has had tremendous backlash on privacy because people don’t like to be filmed. The technology is there, the human adoption isn’t – people are not ready for it.

“Recently we saw Glass founder Babak Parviz move to Amazon with his team, so Google has essentially ditched the project. You can now buy them on eBay for half the price – £420. There will be industry cases for it, such as in health, but as a consumer item I don’t think it will reach mass."

He claimed robots are the “next big thing”, predicting that everyone will have one within five years.

However, with the trend towards a new kind of economy driven by the internet of things, in which everything is connected, one of the biggest disruptions could be people wanting to “unplug”, he claimed.

“There is a whole new trend of people who want to be unplugged – they don’t want to be connected and supervised all the time by things like drones, glasses, sensors that are sniffing your presence in your home – that could be the biggest disruption in the coming years, if everything is connected and people don’t want to be anymore,” he said.

He also predicted that as soon as Apple launches its smartwatch product, multiple smartwatch companies will “disappear” – a trend which occurred when Apple moved into MPs, resulting in the folding of many MP3 providers.

John Lewis innovation manager John Vary has confirmed the retailer’s technology incubator scheme J Labs will be repeated next year, and said he hopes to see more start-ups pitch internet of things (IoT) propositions.

However, he added that challenges remain around working IoT-based services into an in-store environment in a way which “makes sense to consumers”.

Speaking at Disruption Day, he explained that the J Labs process, which saw 100 start-ups pitch their services, later whittled down to 30 and then a final five, is “tough” given the volume of compelling propositions being put forward.

However, proximity-based firm Localz won the £100,000 investment, and it is now working with the retailer to trial a service which triggers click and collect notifications once a customer who has already made an online purchase walks into a store.

“A person will get a notification asking if they want to collect their product there and then. We are looking at a no-notification variant too – anything that improves the customer experience,” said Vary.

The retailer initially unveiled its plans to “invest in the future” with its J Labs scheme by partnering with technology entrepreneur Stuart Marks in March. It shortlisted 12 companies from the 30 that pitched to its judging panel on 20 May.

He also referenced the retailer’s ‘Innovation Kitchen’ and ‘Room Y’ as critical parts of how it is preparing itself for the future of retail and fast-changing consumer trends.

Innovation Kitchen is the name for its internal brainstorming sessions, which it conducts in the evenings on a monthly basis. “The whole point of these sessions is there is no management or hierarchy, we just get a load of pizzas and post-it notes and get ideas going. The main idea behind it is to try and teach people to think fearlessly,” he added.

Meanwhile he stressed the importance of design and art in the ideas process, and finding ways to “humanise the technology”.

“Room Y is all about rapid prototyping – we have everything from 3D printers to laser cutters. We have artists, engineers, designers. It’s really important that at this stage there is no business involvement.”
BEST LARGE AGENCY

Nice to know that it’s not just our clients who recognise the value of our data driven creativity that delivers results.
Women in senior roles on up, but are things changing fast enough?

Research recently published by the IPA has found that a quarter of senior management roles in advertising are now held by women – up three per cent from 2013. But with agencies currently experiencing an approximately 50/50 male/female split, is there a bias preventing this equality reaching board level?

Pippa Glucklich, co-chief executive, Starcom MediaVest

It's great to get some up-to-date and transparent stats on this and see that levels are shifting in the right direction, albeit in my view far too slowly. The fact that, according to the IPA, 49 per cent of our industry is comprised of women makes the senior management figure hugely disappointing – and that's despite all our supposed focus on diversity.

As a creative, fast moving and future facing industry where our only asset is our talent, we must lead the way and reinvent how we look at this issue. Let's make sure we celebrate the gender differences in a way that makes sure the wealth of female talent we have can thrive. That means more transparency and dialogue on what biases exist (unconscious or otherwise) and setting an ambition about what change really looks like.

"Change always takes time, and it's heartening to see that things are moving in the right direction."

Cheryl Giovannoni, chief executive, Ogilvy & Mather

Change always takes time, and it's heartening to see that things are moving in the right direction. We should be really pleased about that. The skills required in a world that is increasingly social by its very nature plays beautifully into the strong skills that women generally bring to the table – collaboration, partnership, teamwork, a focus on nurturing talent.

An organisation's willingness to find ways to make things work for talented people, whatever their gender, plays a big role in accommodating the diverse and ever changing needs we all find ourselves in, at different moments in our personal lives. The organisations that appreciate this and work with their employees will retain and grow their pool of talent, and in particular women, where this is not often enough the case right now.

Sue Unerman, chief strategy officer, MediaCom

It's gone up, isn't that good? But 50 per cent of the population have been 50 per cent of the intake of agencies for some time, so it's still not proportionate, and in my view it's about time that it was.

There are still some pockets, particularly within creative agencies, where the proportion is still extremely low. There seem to be a number of barriers in place, some of which seem to be the unconscious bias of the 'people like me' club.

My assumption so far is that the issue is as much of culture and unconscious bias as it is to do with barriers such as maternity leave.

Leigh Thomas, chief executive, Dare

The question remains whether we legislate for further equality to increase the pace of change. The Guardian recently reported that German law now demands 30 per cent of women in boardroom roles. I am curious to see how this works, because as much as Lord Davis' excellent work much as Lord Davis' excellent work suggests there is an improvement in the balance of women on boards, the figures remain skewed by the large number of non-execs.

As much as I find any sort of quota system intellectually challenging, perhaps it is time that we as an industry set some sort of guidelines to ensure that we accelerate the re-balancing of women in the boardroom.

It is clearly just common sense that there needs to be an even better balance in the near future.

56% of online ads not seen by consumers

In its first ad-viewability study, Google claims 56.1 per cent of online display ad impressions are not seen by consumers.

More than half (56.1 per cent) of online display ad impressions are not seen by consumers, according to Google's first global viewability report unveiled following a series of trials with advertisers.

The internet giant, which opened up viewability-based trading across its display network last year, letting advertisers pay only for impressions likely to be seen, has conducted its first global report into the area as it looks to “take a lead” in building understanding in viewability-based trading.

The report, which centres on impressions taken from a wide range of global publishers, from small sites such as blogs to national newspapers, across Google's Display Network (CDN), DoubleClick for Publishers and DoubleClick ad Exchange, currently focuses on display ads but will later be expanded to cater for video and more granular mobile metrics.

The issue of viewability, which refers to whether an ad is actually in-view to readers on publishers’ websites, has become a hot topic over the last year as advertisers have increasingly questioned the accountability of their media investment.

Google has adhered to the IAB standards which specify that for an ad to be in-view, 50 per cent of pixels – so half the ad – must be in the viewable portion of an internet browser for at least one second; and two for video ads.
HACKING OBESITY
Can we solve childhood obesity with the same creative thinking that caused it? That’s the question Tom Le Bree asked himself after his chosen profession led him into a moral quandary. We caught up with the Rehab Studio partner at The Drum’s recent Disruption Day conference to find out how he is hacking the creative process to improve it for the modern world.

“For anyone who has ever questioned whether or not advertising works, childhood obesity is the most solid case for its effectiveness.”

Strong words indeed for someone previously consumed with, in his own words, “flogging fizzy drinks to an already fat nation”, but it was this realisation that changed forever the ways in which Tom Le Bree would employ his creativity.

After years of “selling people stuff they don’t want for money they don’t have,” Le Bree decided that this “socially acceptable, but morally questionable” career wasn’t for him. At least not in its current format.

No doubt spurred on by the fact that he was surrounded by people doing something “ethically sound” (his mother is a nurse, his father and wife both doctors), and that the most discernible skill he possessed was advertising, he got to thinking: “can advertising save the world?”

Le Bree argues that advertising is great at solving problems as it helps make people aware of an issue, makes them understand it more, and makes them change their behaviour. “If you change the context – that of people using small data and sensors to monitor their own personal health data. We created an online universe of chore into game, and what’s more, one that parents could monitor. We created an online universe of collectable monsters called Stomps where the more a child moves in the real world the more they can do with their monsters in our virtual one.”

The smartphone game and associated Fitbit tracker encourages kids by tracking their movements in the real world and letting them move through a virtual world where they can collect monsters. They can play individually via mini-games or to battle with friends. “Put simply, it’s Pokemon combined with a pedometer.”

The idea went on Kickstarter earlier this year but, through what Le Bree admits was the agency’s own fault, it failed to make its target. Since this setback the agency has been approached by numerous health authorities, and early user testing has proved positive due to it using monsters rather than metrics.

Le Bree remains confident that the project in some form will prove successful, especially given what he sees as the future trend that will disrupt healthcare – that of people using small data and sensors to monitor their own personal health data.

He points to Google contact lens, edible technology (sensors you can eat) and embeddables (tech that can be woven into your skin), as well as the growth in Google searches for Fitbit in the run up to Black Friday, as proof of public appetite for such technologies.

“Medicine is going to be more about arming doctors with information and at present the majority of the info they get is filtered through what people want them to think, but how many answer honestly when asked how much they drink?”

“In the future your doctor isn’t going to rely only on what you tell them. Instead you will go to them with actual figures and they will catch things earlier as they spend less time on gathering information.”

Just as Stomps looks to turn meaningless metrics into monsters to make a difference, all the numbers in the world are nothing without narrative. Instead, says Le Bree, the future of healthcare “relies on small data but with a process with which to make it understandable”. And who better to provide narrative and promote understanding than the ad industry? Who knows, maybe advertising really can save the world.
With the likes of Amazon, Google and DHL all experimenting with the idea of using drones for deliveries, how soon will it be until we see a fleet of distribution drones in the skies? We catch up with Jonny Tooze, managing director of Lab, at The Drum’s Disruption Day conference, as he explains why this might not be as far off as we think.
Amazon's dalliance with drone deliveries was largely dismissed as a PR stunt when it was announced a year ago, and repeated calls from Boris Johnson for drones to play a part in solving London's congestion problems have similarly been dismissed – this time because, well, it was Boris issuing them. But how likely is it that drones will play a role in our immediate futures, or are they still, for now, the stuff of science fiction?

Amazon certainly doesn't think so and is actively recruiting a team of drone operators, while Google is coming in fast with its own solution. Jonny Tooze, meanwhile, is putting his neck on the line and predicting that 2016 will see the first drone delivery flight in the UK. His agency, Lab, has even gone so far as to launch a drone subsidiary, while he himself has qualified as a drone pilot (it doesn't elicit quite the same level of respect as an airline pilot, he admits – you don't get stripes or a dapper hat).

One hindering factor in getting the public behind the potential of drones is the fact we still don't fully know what they are, or what they can do. Asked whether drones are just toys for overgrown kids to muck around with, Tooze rants: “certainly not if you're in the military – they kill people with them”. Unfortunately for most of us this is where our understanding of drones comes from, something which Tooze says really “pisses” him off.

Instead, he is keen to point out, there are many non destructive uses of drones, whether these come from the creative industries, agriculture, conservation, enforcement, medical or delivery. Tooze refers to Dr Peter Enderlein of the British Antarctic Survey (“the guys who discovered the hole in the ozone layer”) who is using drones to monitor ice floes and ice shelves, and to count penguins, among “lots of other sciency things”.

“Drones are significantly improving their capabilities and reducing the dangers associated with this kind of research – including getting bitten by seals.”

For Serge Wich, who monitors biodiversity, drones save him from having to walk through immense jungles to find the nests of orangutan. Tooze tells us. “Before drones, he and his team had to trek for weeks around Borneo counting orangutan nests and now they can do the same amount of science in 20 minutes, flying a fixed wing drone around the forest as it used to take two people two weeks to do.”

So plenty of humanitarian uses of drones, but there’s also lots of “amazing arty stuff” people are doing with them, such as Cirque Du Soleil and its troupe of dancing drones, as well as “some really crap wedding photography” (search for “drone wedding video crash,” Tooze guffaws). There’s even been a drone porn film, he tells us (Drone Boning, if you’re interested).

But just how disruptive are drones set to be? Well, if you tuned into the Euro 2016 qualifier between Serbia and Albania in October, you will have witnessed that they can literally disrupt, with a drone carrying an Albanian flag leading to chaotic scenes and the match being abandoned.

For brands however, Tooze points out, the key competitive advantage drones will offer is “a shit hot logistics operation”.

“People laughed at Amazon’s PrimeAir ad, calling it a PR stunt,” he says. “It was a bit, but I wasn’t laughing. Seems they weren’t either. Now they are actively recruiting lots of drone operators in the UK, so it’s more than just hype.”

Google has become the latest tech giant to get into the drone business, saying it has been exploring self-flying vehicles for the past couple of years, bringing in Dave Vos to take Project Wing from research to product. It has released images of a multi rotor drone with a fixed wing which allows it to go further distances, and a winch system that allows it to lower good to the ground to avoid it being stolen or damaging anything.

Civil Aviation Authority (CAA) and Federal Aviation Administration (FAA) legislation around commercial drone use in the UK and US is still extremely restrictive, but in Germany there has already been drones used on an exceptional basis to deliver medicines, for example, and it is predicted that they will add between $100bn and $250bn to the US economy over the next 10 years. Add to this the fact that Royal Mail shares fell 8.3 per cent recently and there is real opportunity.

It is taken as read that drone delivery will be cooler, but will it be cheaper, faster, accepted by society? “It will certainly help the environment,” says Tooze, but problems with CAA and FAA legislation aside, it will be educating the public about the value of drones, and their uses for good, that will be key in speeding things along. Most interesting though will be the reaction of retailers.

“A fundamental point is that the significant difference between a physical retail experience and e-commerce has always been that you have to wait for the product, and this technology could significantly change that mindset. But for some retailers, the last thing they need is another technology taking people away from the high street.”
NO LONGER BUSINESS AS USUAL
The old face of retail is being disrupted by new technologies and digital behaviour. But it will be those who can harness this technology to improve shopping experiences for consumers who will succeed. Jen Faul explores some of the themes addressed in the retail instalment of The Drum’s Day Before Tomorrow documentary series, produced in association with SapientNitro.

Of all sectors to have been disrupted by technology, retail has been given the most press over the past few years. In an industry facing countless challenges, technology is also relentlessly reshaping every aspect of the retail experience; from where we browse and buy to the way we choose to pay and how it gets delivered.

Players like Amazon and Apple have thus far been ahead of rapidly changing consumer behaviour; with the former now experimenting with drone delivery and the latter allowing people to pay in-store with a few taps of their phone.

And today, traditional retailers like John Lewis, Argos, and Burberry are ramping up their efforts to start future-proofing themselves. But what are the innovations getting the industry excited? And are retail bosses approaching them in the right way?

Stuart Marks, investor and backer of the John Lewis JLab scheme, states that innovation is on the mind of every chief executive behind a large company.

“There’s no chief executive or board that isn’t obsessed about innovation,” he says. “The things that marks one retailer or one large organisation out from another is how well they’re executing it.”

For Antonio Hidalgo, chief innovation, marketing and strategy officer at Philips, that means sticking to three basic rules when developing a new digital offering.

Firstly, he urges retailers to consider why they are developing the new offering in the first place.

“It’s sometimes easy to forget who you’re doing this for. We believe that the sweet spot of any winning innovation company, and certainly what we aspire to be, is where innovation meets people.

“We’re all technologists. I’m a technologist. I love technology, I love science, but I have to have the discipline to ask myself, am I doing this for the consumer, or am I doing this for myself?” he says.

Secondly, the technology has to create a richer experience for the consumer, says Hidalgo. “The days where I could sell you a product in a box and walk away are long gone. Consumers want to know how they will interact with the product and how other people are interacting with it. Help them make the most of the product and create a service around that proposition,” he adds. Finally, he advises all retailers to look outside of their company for innovation. Collaboration is key.

Mobile has been the cornerstone of retail innovations as brands attempt to tie together the convenience of e-commerce with the physical store experience. Indeed, the winner of John Lewis’ innovation incubator was Localz, which aims to make the consumer journey easier by alerting staff when a customer comes into a store for a click and collect order, for example, or navigating the customer via their phones to wish list items. Rather than ‘spamming’ shoppers with offers, instead, it’s based on creating a better experience for them in-store based on their online behaviours — a key trend according to Nic Brisbane, managing partner at Forward Partners.

“If you look at the high street now, it’s much more about experiences and less about shopping than it was 15 years ago. The best retailers are increasingly thinking about how to make it more fun and interesting to be in their shop. You need to think about making great experiences for your customers first and foremost, rather than ‘how do I sell product’,” he says.

Elsewhere, 3D printing is facilitating new experiences by allowing people to create their own products. Jo Roach, co-founder of MakieLab, a company which 3D prints dolls designed by consumers themselves, recently inked a deal to sell through UK department store Selfridges.

Currently, people can sit in a specially designed area within Selfridges and design their own doll with a sales assistant and iPad. However, this has proved challenging as people are still inherently used to going to a store, buying a product, and taking it home that day.

“Makie is very different to the traditional model. Getting people to change behaviour is really hard. It tends to be that behaviour changes and then you design for it and I think that will happen with us,” says Roach.

Data is vital for retailers to understand these changes in behaviour. Aside from improving the customer experience in-store, Chris Locales – the founder of Localz – is able to help John Lewis harness data on how consumers shop offline.

“We can provide information to a retailer to show when shoppers are in a store, what they’re doing, what activities they’re following, where they are dwelling, foot traffic and those sort of metrics,” he explains.

But what about the ever-pressing issue of consumer privacy? While privacy issues remain front of mind for consumers, retailers must act to resolve them, according to Marks. This means communicating the value and improved experience. “If the ultimate output is you’re going to have a better shopping experience, I think people are going to like that,” he says.

It’s far from business as usual for retailers, as new and emerging technologies are set to disrupt their business models. But it will be those who apply creative approaches to technology who will add value to the consumer experience and therefore succeed.
There’s no refuting the fact that mobile and online banking has soared in recent years, with footfall to local bank branches dropping around 10 per cent each year, according to recent research. So what does the future hold for traditional retail banking? Exploring some of the themes of the Day Before Tomorrow film focused on money, Natalie Mortimer investigates the trends in the marketplace and whether the end of the branch is looming.

Pingit, Paym and Square – just a handful of digital banking innovations that have burst onto the modestly dubbed ‘fin-tech’ or financial services technology scene in recent years, representing the massive consumer demand for mobile banking. Long gone are the days of visiting your local bank branch for simple day-to-day transactions. People want to bank on the move and organise their finances 24/7; something a physical location with restricted opening hours struggles to offer.

According to a report by industry body the British Bankers’ Association (BBA), customers of the five biggest retail banks used their mobile phones for 18.6m transactions per week in 2013 – double the figure of 9.1m in 2012, and made nearly 40m mobile and internet transactions each week last year, an indication that the reinvention of the branch model is already afoot.

Metro Bank, which emerged on the scene in 2010, was the first new bank to open in the UK in a century, and has now amassed more than 400,000 consumers who take advantage of its seven-day flexible opening hours, instant printing and replacements for lost or stolen debit cards and the overhauled in-store experience.

Anthony Thomson, Metro Bank co-founder, believes that traditional banking is being held back by two hurdles; culture and legacy.

“What’s wrong with traditional banking? Well, where to start?” he says. “I think there are two big things that I would point out. First, and probably most importantly, is around culture. Most banks think that they are in business to make money, and I believe, passionately, the great businesses are those that set out to give customers a better product or a better service, or a better experience, and profit is a by-product of doing that well.

“The second issue is around legacy, IT and infrastructure. So banks, frankly, have branches that nobody wants to use, in all of the wrong physical locations, and customers have to pay for these.”

The digitisation storm and consumer call for better service in banking has led Thomson to take his disruptive fin-tech model further to create Atom, a mobile-based bank due to open in 2015 with a full range of products including current accounts and mortgages.

Atom, which will not open any physical retail branches, nor offer telephone banking, will instead allow consumers to transact purely online or via a mobile phone.

“What makes Atom Bank different is it’s based upon a couple of consumer insights, and the most important insight is this incredible change that digitisation has made into people’s lives,” reveals Thomson. “Bank branch usage has fallen off a cliff, and even using telephony as a means of accessing bank accounts is in decline.

“All of the growth, and it is really explosive growth, is in the use of digital devices in general, and mobile in particular, so Atom will be the first mobile-based bank. It will be the first bank that is literally in your pocket, or in your briefcase.”

While ramping up digital services is good for banks, both in terms of reducing cost and improving customer service, Neil Dawson, chief strategy officer at SapientNitro, believes the move could eventually sever close relationships between banks and their consumers.

“Banks want to accelerate the uptake of digital services and it’s good for them, from the point of view of reducing costs. It’s good for customers; it creates a simpler and easier experience, more efficient. So there are benefits for all parties concerned,” he says.

“One downside, which is quite significant, is of course that a digital-only bank potentially increases the likelihood of you switching – you potentially have less of a relationship than historically you may have had with the people in your branch or your manager,” he adds.

So does the emergence of digital native banks like Atom or Metro sound the death knell for the end of the branch as we know it? If Thomson is to be believed, retail branches will be but a distant memory in the next decade.
“If one looks at digital adoption it’s roughly 60 per cent of 21-31 year-olds, 40 per cent of 31-41 year-olds, and then it decreases slightly. But of course, every generation is getting older and is getting more digitally literate.

“For those banks who have not adopted it, the sad fact of life is that they’re dying out, and in 10-15 years’ time children will be saying, ‘Daddy, tell me what a branch was.’”

While Thomson is unequivocal about his vision for the future of banking, RBS’s digital managing director Chris Popple disagrees, saying that despite the ongoing axing of its branches as customers move to online and mobile banking, the human connection bank branches provide will always be desired by consumers, especially when in need of advice.

“What’s wrong with traditional banking? Well, where do you go to find out what’s wrong with your finances 24/7; something a physical location with restricted opening hours, instant printing and replacements for lost telephony as a means of accessing bank accounts is unable to offer.

There is also the notion that the branch has a “hugely significant” role to play in the future of banking, with a definite place in the industry going forward. “It becomes a place for experience,” he concludes, “and for emotional connection, for a degree of theatre around what money and banking is from the consumer point of view, and how the bank can help the customer achieve their goals.”

**BANKING AND INNOVATION**

Innovation in finance was one of the topics discussed during a panel session on The Day Before Tomorrow’s money episode.

Joining the series creator, Dave Birss, on the panel was Financial Times journalist Jonathan Moules, Skrill chief executive David Sear and SapientNitro’s chief strategy officer Neil Dawson.

According to Moules, transformative innovation will not come from the large companies. “They buy innovation at the right price,” he said, which is where the opportunity lies for start-ups.

SapientNitro’s Dawson agreed, suggesting that banks are at “an existential crossroads” when it comes to innovation.

“They either have to resign themselves to the fact that they are legacy businesses with terrible IT and customer service or they can try to rebuild trust and customer experience through data. Technology is just the enabler – the mindset needs to change first.”

Sear applauded the efforts of Barclays, with its innovations including Pingit, but said the bank will always face challenges when it comes to truly innovating the system because of the fundamental principles on which banking is built.

The Drum’s six-part documentary series The Day Before Tomorrow, produced in association with SapientNitro, explores digital disruption across six sectors. The films are available to view on The Drum’s YouTube channel and at thedrum.com/daybeforetomorrow.
What happens when you get a group of programmatic experts together in a room? The Drum recently did just that, hosting a round table with eBay Advertising. Catherine Turner takes a look at what’s setting their agenda – from the need to better promote programmatic to the opportunities of global scale.

Programmatic must do more to sell itself to the very users who benefit the most, a group of experts has claimed at a round table hosted by The Drum for eBay Advertising.

The executives – from eBay, media agencies and programmatic platforms and specialists – believe that the industry is failing in its duty to inform clients, creative agencies and even publishers of the benefits of automated, targeted trading.

In a gathering noticeable for its absolute consensus rather than a clash of opinions, they say the digital subsector must stop ‘talking technology’ and adopt the marketing know-how of the audience it serves.

Says Phil Duffield, head of international at AOL-owned platform and marketplace Adap.tv: “The education around programmatic is so bad.”

Duffield believes that clients with little understanding of programmatic will only hear and read the negative press – “the fraud, the brand issues” – which can only put marketers off. “Our biggest challenge is the education of marketers. Why aren’t we educating more? It’s our responsibility.”

It’s a view echoed by all. Note, they say, the absence of any brand around the table today. David Reed, MediaMath’s EMEA managing director, says simply: “The industry needs to change how we talk about programmatic.” It should start by stopping the incessant sales pitches at industry events: “Why would a client go to an event where it is all ‘sell’ – they aren’t interested in that.”

MediaMath instead encourages clients to attend workshops and talk to other clients. In such an environment it isn’t the technology that shines – it is merely an enabler for clients to “do” better advertising.

Or as Phuong Nguyen, head of eBay Advertising, notes – think about the consumer, the “human” factor. He points to a recent, high profile industry summit where neither was mentioned – an omission that eBay’s chief marketing officer would surely recoil at. “We’ve done a great job of talking about the efficiencies of our business, but we lose sight of the fact that we live in a human industry, and of our ability to persuade consumers to do something different.”

It’s a point that Kathleen Schneider, Criteo senior vice president of marketing and communications (and a former client-side marketer), continues. “We perceive ourselves as technology companies, but we sell to marketers. If we can’t bridge that gap then we need to reconsider the keynote.”

She wants marketers to understand that machine-led technology is often better than people “turning those dials” and wonders why the publishing space doesn’t yet apply the same logic for search where “analytics drive that best decision”. That will be an even harder sell for television, even though broadcasters are close to a place where even linear TV spots could be offered up programmatically.

Because, they say, programmatic is playing a vital role in making paid media more flexible, accountable and affordable – particularly in the smaller digital economies – its potential for brands is being overlooked by clients unaware of the possibilities.

Technology is evolving fast, but perceptions continue to lag, and at different rates, market by market, client by client.

Unfortunately, says VivaKi’s Geoff Smith, it’s a state of affairs set to continue until clients start recruiting programmatic specialists. Smith, EMEA vice president of audience on demand, adds: “I believe that we haven’t even defined ‘programmatic’ for many chief marketing officers.”

Neither, he believes, do the big creative agencies get it, or even want to focus on the scope of digital possibilities. “They don’t want to build big digital ideas. They don’t care about dynamic or HTML5.”

Nor, according to Amnet chief operating officer Sacha Bunatyan, is digital ideally set up to see how brand and creative really resonate with consumers, often laboring under a return on investment argument built by search.
Reed concurs: “Google established what ‘online’ was. And we still live in that same box. Search became dominant so cost-per-click mattered.”

Yet for all the industry self-flagellation there is plenty of promise in programmatic – and a great story ready to sell advertisers.

The UK is widely admired as one of the most mature and innovative markets, with the IAB forecasting programmatic will account for nearly half (47 per cent) of digital display ads in 2014 and an upsurge in the quality and quantity of private marketplaces. France, Australia, the Czech Republic and in the last 18 months Germany, have also been beacons of good practice, particularly in the premium space.

Rubicon Project’s international general manager Jay Stevens points to programmatic’s rapid evolution. “Where it was all about the unsold ‘remnants’ four or five years ago [still common practice in the US], now we are moving upstock pretty quickly, such as with the evolution of private marketplaces. There is a blurring line between premium and remnants – and a changing dynamic for both sides of the ecosystem.”

He compares it to the stock market, pointing that the Nasdaq – once the preserve of over-the-counter stocks – “no longer has the stigma it once did”.

Stevens also points out programmatic’s value proposition, making digital more effective to plan and buy – of particular importance in smaller markets such as Spain which, with macro economic pressures, is actually seeing digital spend decrease while traditional TV grows. Digital will struggle to grow in smaller markets without automation because of a lack of scale. “They won’t grow, and Google and Facebook will continue to own,” adds Stevens.

The French, meanwhile, have been keen to explore co-ops, giving publishers that grander scale on which to compete.

Anna Stoyanova, Essence’s biddable media director, points to Germany as a market slow to take to automated trading, but one that while late to the programmatic party is getting it right. “Germany has been moving a lot this year. It is a sales-house dominated market, and quite consolidated. You only have to crack 10 nuts but those 10 nuts are tough to crack,” she says. “There is a huge movement from Germany – a massive willingness to embrace. They understand it’s not about remnant it’s about premium,” echoing Steven’s earlier point.

Earlier this year eBay Advertising announced that it now trades the majority of its inventory programmatically and would soon launch a series of mobile native ad formats. And Nguyen this month revealed exclusively to The Drum that it would trial programmatic-only in Q1 of 2015 – an initiative Stoyanova says cannot come soon enough.

Such big players making plays can only underline the growing importance of programmatic moving forward, and help clients – and their agencies – explore the possibilities.

But we’re not there yet, cautions Attila Jakab, Infectious Media client strategy director. He says that much of the innovative and educational, experimental work thus far has been done via manual face-to-face conversations, which will take some time yet before they move onto platforms and be automated.

Advis Jakob: “Technology is definitely at a really nice place from an access and speed point of view. In the basics of an exchange-based market, we’re really healthy. But the smartness of algorithms, the ability to go around the globe and specifically to particular markets, these are problems we don’t yet have solutions for.”

A connected, programmatic view of the consumer, across an as yet technology media fragmented space and regionally siloed world? Watch this space.
The Drum’s Social Buzz Awards, in association with headline sponsor Iomart, took place at the end of last month, bringing together individuals and companies at the forefront of social media to recognise and reward the best campaigns and strategies produced by agencies and brands in the UK. Here we take a quick look at some of the main winners.

**Grand Prix**
*We Are Social – Adidas ‘#allin or nothing’*

The 2014 World Cup was the first truly social World Cup, with fans, players, brands, publishers, influencers and even federations creating a cacophony of content and conversation. New platforms and practices meant Brazil 2014 would be uncharted territory and a difficult place for a brand to make its voice heard over the noise.

Being an official World Cup sponsor presents obvious opportunities – most importantly for Adidas, ownership of the official match ball – but also significant challenges for a sports brand. Sponsor or not, Adidas’ social objective for the World Cup was a simple one, not defined by any single platform, team or outcome: become the most talked about brand at the World Cup.

Setting up an hour-by-hour, platform-by-platform editorial calendar, it identified every possibility as early as December. The calendar containing thousands of content tools became the foundations of Adidas Football’s seamless World Cup storytelling.

It built a world class team of football experts and obsessives, who worked for six months to create these tools, flying all over the world at a moment’s notice to shoot the best players in the world.

By May, the planned content pieces were organised in the editorial calendar and a huge bank of raw content tools – covering every competing nation and the best footballers in the world – had been developed, ready to create reactive executions at the rippling of a net.

At Posto Adidas, the brand’s workspace and general hang-out spot for staff and guests in Rio de Janeiro, a fully integrated global and local real-time marketing team created and executed reactive content that was live in social within seconds – and in digital and OOH within minutes.

World Cup products dominated the spotlight for the duration of the tournament. Adidas’ #allin or nothing visual identity was based on the design of its World Cup Battle Pack boots. The official match ball, Brazuca, was given a voice and became a star; over 3.3 million people followed the Twitter account.

The result was almost six million new fans across its global social channels, 967,000 hashtag uses (three times more than any other brand), 1.7 million brand mentions on Twitter (22 per cent higher than its sports brand competitors), and, most crucially, it succeeded in becoming the most talked about brand at the World Cup.

**Chairman’s Award**
*Paddy Power – ‘Rainbow Laces’*

For many years the British football industry has been silent at best about homophobia. The media hadn’t been interested in covering the issue. And of 5,000 professional players, not one would speak out let alone come out. However, in just one week in September 2013, Paddy Power managed to change all this.

2013 had witnessed a significant shift in sentiment around homophobia in football. In February the FA created a toolkit for clubs to address homophobic discrimination with just 29 out of 92 professional clubs signing up, in March Leeds player Robbie Rogers retired stating it was impossible to be gay and continue playing, and in May research showed that Brighton fans were being subjected to homophobic abuse at over 70 per cent of away games.

The boffins at Paddy Power calculated the odds of not a single professional footballer being gay to be over a quadragintillion to one (that’s one followed by 123 zeroes) and found that 57 per cent of regular bettors agreed that “it is an issue that needs tackling”.

Deciding to do something about it, the Irish bookmaker went about creating the company’s first ever brand led CSR campaign, teaming up with Stonewall (the UK’s lesbian, gay and bisexual rights charity) to attack the issue head on.

The campaign set out two clear objectives: get people talking about the issue, and generate and show mass support for gay footballers. The budget meanwhile was just £150,000, meaning it was essential it got the loudest bang for every buck it spent. Integration was key to achieving this.

In a stroke of genius Paddy Power set about utilising a free medium that nobody had thought of before, and the only objects in professional football not already covered with sponsorship messages – shoelaces.
Sending rainbow-coloured laces to every professional football player in Britain and asking them to wear them to show they were ‘Right Behind Gay Footballers’, Paddy Power then used a barrage of integrated advertising, PR, digital and social media to marshal wider public support.

It forged partnerships with Metro newspaper, Twitter and TalkSport radio to ensure that football fans were surrounded by positive coverage from trusted sources and everything was tied back to the core of the campaign, the slogan ‘Right Behind Gay Footballers’, which much of the integration hinged upon.

The campaign was deliberately concentrated into one week, partly to make the limited budget go further but also to deny the football authorities any warning or the chance to spoil the campaign. And it was adapted on a daily basis to help shape the changing news agenda, for instance when some clubs complained that they had not been given enough notice it responded by pointing out that it only takes a few minutes to change your laces.

The results? Thousands of players joined in, the media broke its silence to devote over 400 stories and 500 million impressions to the campaign, and the British public showed its support with over 320 million Twitter impressions. All for less than Wayne Rooney earns in a week.
Click Consult has been specialising in organic and paid search for over a decade.
The inaugural Social Buzz Top 50 celebrates the 50 most influential people in social media marketing in the UK.

In a bid to identify the trailblazers in this dynamic space, The Drum initially invited the industry to nominate notable individuals via thedrum.com. We then put the longlist to our esteemed panel of judges from this year’s Social Buzz Awards jury, who ranked individuals based on career success to date and participation in the industry.

Prior to Twitter, Daisley was director of YouTube and display at Google, where he was responsible for leading the UK sales for YouTube and Google’s online display advertising.

In this role he successfully monetised Google’s display business in the UK, with the company rising to number two in the display market.

He joined Twitter as sales director in 2012 and was promoted to managing director in 2013.

Here he offers some thoughts on the industry, as well as advice for those looking to start out in it, and we find out who else made the list.

Bruce Daisley, UK managing director, Twitter

How has social media changed marketing? It has allowed us to see how messages work. We always knew that some things connected with part of an audience and some things didn’t, but there was no return path. Now we can hear the full range of responses.

What’s the next big thing to impact social media marketing and how should marketers prepare themselves? We’ve not seen a tenth of the potential of mobile – we should be focussing on maximising mobile rather than getting distracted right now.

What advice would you offer to young people starting our in social media marketing? Ignore the advice that other people try to bother you with. Do what you think feels right for what you’re trying to achieve.
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Everybody loves the new John Lewis Christmas advert. I love it too. Damn, how can you not? It is so Christmassy, so warm and full of wonder. Like Frozen or The Hobbit, and thanks to the magic of CGI, it brings to life a completely fanciful and fantastical universe: one where a six-year-old kid has an active life, watches black and white Hollywood classics, and chooses voluntarily to play with a stuffed penguin instead of frying his brain on Minecraft or watching Minecraft broadcasts on Twitch.

As a father it touches me deeply and gives me hope for a better future. As someone working in advertising it leaves me a bit skeptical: I’m not sure stuffed penguins are going to trump in-app purchases this Christmas. Happy holidays.
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WCRS: B&Q 'Christmas Unleashed'
B&Q has turned to WCRS to motivate the nation to decorate their homes bigger and better than ever before. 'Christmas Unleashed' positions B&Q as the one-stop-shop for all things Christmas, from fuller trees to outdoor lights, animated dancing toys and beyond.

Cheil UK: Samsung ‘All wrapped up early/Christmas round ours’
Samsung is celebrating Christmas with two adverts created by Cheil UK. In ‘All wrapped up early’, Samsung’s flagship Galaxy Note 4 takes centre stage, helping to organise the best Christmas ever. ‘Christmas round ours’ celebrates the whole Samsung range and demonstrates the role technology plays in the lives of Brits across the season, be it staying in touch with loved ones, organising a festive drink at the pub or capturing holiday memories.

Executive creative director: Logan Wilmont Creative directors: Jim Eyre, Dave Newbold Agency producer: Oliver Featherman Group account director: Andrew Boatman Senior account manager: Oliver Zammit-Tabona (Cheil UK) Production company: Radical Media Director: Josh and Xander DoP: Lol Crawley Producer: Josh Barwick Editor: Jonnie Scarlett @ The Quarry Music: Massive Music Post: The Mill Sound engineer: Ed Downham @ Wave Sound
Haygarth: Robert Dyas ‘Christmas made easy’

Haygarth has helped Robert Dyas launch its first brand-building TV advertising campaign in the run up to Christmas. Designed to drive reappraisal of Robert Dyas and impact those who previously might not have considered the store, the campaign focuses on the range of items offered in-store and online. In addition to the TV creative, radio advertising is running in tactical bursts up until Christmas.

Film production: The Love Commercial Productions  Media agency: The7stars
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Krow Communications: DFS ’Special delivery man’

DFS has engaged Krow Communications to follow up its ’Guaranteed Christmas Delivery’ campaign and reinforce to the public that it has the best people on the job to make sure its sofas will be handmade to order and delivered in time for the big day. In the ad Krow brings in a familiar face to spread some festive joy as people react to the ’special’ DFS delivery driver Nick.

Executive creative director: Nick Hastings
Senior creatives: Jon Mitchell, Darryl George
Account directors: Blake Armstrong, Sonal Taank
Account manager: Felicity Gibbon
Senior planner: Aileen Ross
TV producer: Davina Hickson
Film production: Outsider
Director: Pedro Romhanyi
Producer: Gareth Francis
Editing house: Big Busy
Post production: Rich Hawkins

Smith & Village: Booths ’Christmas Book’

Independent food and wine retailer Booths has launched its second ’Christmas Book’, a 200-page collection of products available in-store for purchase and for delivery nationwide. Created by brand consultancy Smith & Village, the book has been developed to position Booths as a national Christmas brand and is inspired by the 12 Days of Christmas. The narrative of this year’s book aims to get people planning ahead and ordering early.

Creative director: Debrah Smith
Art director: Debrah Smith
Copywriter: Lydia Slater
Illustrator/Cover design: Coralie Bickford-Smith
Photographer: Craig Robertson
Home economy: Angela Boggiano
In 1993, Zone founder James Freedman capitalised on the growing mainstream interest in football by securing the license to create, launch and publish Manchester United’s first official monthly magazine. The title went on to become the biggest-selling sports magazine in the UK and a global success, inspiring other clubs such as Chelsea and Roma to launch their own titles through Zone.

However, by the late 90s, Freedman had noticed something that bothered him: namely that the journalists working on his monthly football magazines were increasingly turning online to get their own daily fix of football content via chatrooms, discussion boards and fan sites.

Zone managing director Jon Davie takes up the story: “James’ observation of his own journalists led him to believe that the idea of producing a monthly magazine for the newsstands was increasingly outdated.”

In 2000, Freedman took the radical decision to sell the newsstand publishing business (to Future Publishing) to refocus Zone purely on the emerging digital market. In the same year, the agency acquired tech consultancy Quantum, combining Zone’s editorial and design skills with the technological know-how required to deliver content online.

“The early disposal of our legacy print business was a very far-sighted decision by James,” says Davie. “Many of the challenges traditional media businesses face in transitioning to digital arise from the fact that they simultaneously try to protect the revenue from their offline business model. James’ decision allowed Zone to totally sidestep those issues and establish itself quickly and wholeheartedly as a digital business.”

Davie believes that, during the early 00s, Zone was best characterised as a content production company, rather than a fully fledged ‘agency’.

“Zone was great at content and had an intuitive sense of the sort of thing audiences would want to view and share online. Consequently, most of the agency’s work was with media companies like Channel 4, the BBC, Freemantle Media and Yahoo, who were all well-versed in commissioning content and shared a similar culture to ourselves.

“None of the agency’s principal players come from an agency background so we had to find our own way forward, learning how to sell our content and digital expertise to brands beyond the media sector. That required us to build our skills in account management, client servicing, strategy, reporting and all the other business disciplines associated with working on major accounts.”

NEW BEGINNINGS

Zone’s first significant step on that journey, according to Davie, was winning BT as a client in 2006: the start of a mutually-beneficial relationship that continues to this day.

“We helped BT learn how to think like a media business and it helped us learn how to be a ‘grown-up’ agency,” Davie explains. “In our work with BT Sport we made BT a credible football voice by commissioning well-known football journalists and bloggers to create authoritative content, delivering more than half a million new subscribers. It’s very rewarding to see the sophistication of BT’s TV offering now and to know we played our part in getting it there.”

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"None of the agency’s principal players come from an agency background so we had to find our own way forward."

As an organisation gets bigger, you inevitably need to put more process in place: HR, finance, time-sheeting and all the other stuff that big agencies need to do. The trick is to introduce these things in a way that doesn’t fundamentally change the very culture that helped you to grow in the first place."

In 2012, at the height of the ‘horse meat in the food chain’ crisis, Zone was approached by supermarket giant Tesco to design and develop a new website to support its policy of transparency regarding food provenance.

Davie says: "The timescale was incredibly tight – five days – but we delivered a site that became a very important element in its response to the crisis and that raised our profile within Tesco, leading to a longer-term relationship."

Zone’s subsequent work for Tesco has included a pioneering partnership with Google using live video hangouts to deliver ‘Online Field Trips’ to UK primary school children. To date, more than 250,000 children have interacted via the trips, ‘visiting’ the banana plantations of Costa Rica, pasta factories in Naples and the Wensleydale creameries without the leaving the classroom.

BUILDING ON SUCCESS
Having cultivated and extended its relationships with their many of its biggest clients over time, winning the Barratt Homes account in 2013 signaled a “step change” for the agency.

“That was the first time we had been awarded such a large account off-the-bat. I think that indicates how we’ve established a name for ourselves. Working with brands like BT, Coke, Tesco and now Barratt has developed our understanding of the challenges associated with being the number one brand in your sector.”

Last year was a significant 12 months for Zone. In addition to the Barratt win, the agency moved into new state-of-the-art premises in Kings Cross, acquired Bristol-based tech specialists Auros and launched a joint venture with Germany’s largest content marketing agency, Kircher Burkhardt, taking Zone into Europe’s largest economy for the first time.

Zone now employs more than 190 people across its offices in London, Bristol and Berlin and was recently ranked the UK’s number one Independent Marketing Communications Agency in The Drum’s Independent Agency Census.

Davie says: “We’ve delivered 25 per cent growth year-on-year for the past five years and we’re confident, but not complacent, that we can continue on the same path. The biggest challenge, as always, will be retaining the culture that makes us special.”

To use a footballing analogy, for Zone, the game has only just kicked off.
The IPA Media Owner Awards took place recently, showcasing the most innovative and effective activity and individuals from the world of online media – an industry which, like most others, has known its fair share of disruption due to advancing digital technology. The Drum caught up with some of the winners, including Twitter, ITV and Microsoft, to find out just how they are being disrupted and, more importantly, what they’re doing about it.

** Owning Media’s Future **

The media industry has always innovated and adapted to change, and one thing that is unique about the shift to digital is the sheer speed at which consumers have adopted.

The mobile landscape has changed rapidly and the rise of m-commerce presents huge opportunities for advertisers. All media owners are in a position to embrace this and strengthen their offering, and almost unanimously advertisers have risen to that challenge with positivity and enthusiasm.

In many instances digital has become the perfect complement to traditional media, so a promoted trend on Twitter or a YouTube homepage takeover is now the natural accompaniment to a large-scale outdoor campaign or a newspaper cover wrap.

At Twitter we are embracing this disruption, focusing on a native approach and constantly improving the targeting and functionality of our promoted products, while everything we make is designed for a mobile audience.

** Dara Nasr, UK sales director, Twitter **

The rise of programmatic is not only changing the way we buy and sell advertising as an industry, it is also evolving the role of individuals within the organisation. Never before have collaboration and integration been more vital to success in the digital sphere.

As brands become more like publishers, media owners must collaborate more closely with them to create more premium solutions that offer a truly unique experience.

We recently conducted research with some of the UK’s biggest media owners, trading desks, industry bodies and publishers to assess the current feeling around programmatic and found that it seems to be changing the dynamic between the buy-side and the sell-side, leading to increased trust, more honesty and a better working relationship overall.

At AOL we view disruption as a positive, so we are dealing with disruption by investing in both our technology and our people.

** Toby Morris, UK commercial director, AOL **

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** Tim Hussain, product strategy director, Collective **

From Google+’s failed face-off against Facebook to Yahoo’s enormous acquisition gamble to try and tap into the video and mobile space, disruption is now faced by all companies. Even in mobile, from the low-tech of the early 80s to today’s plethora of tablets, phablets and smartphones, the change has been transformational.

Many media owners have responded well but with this plethora of digital opportunities, the biggest challenge is that most of the industry is still operating within siloes. Too many are vertically driven across desktop, mobile or data, while their consumers are operating on a multi-screen cross-device basis.

By simplifying the channels, leveraging deep insights from data and implementing creative formats, media owners can move forward and provide better user engagement for consumers.

** Owen Sagness, general manager, Microsoft Advertising & Online **

Advances in digital technologies mean that consumers can now be targeted much more accurately and with increased personalisation through online channels. This has necessitated an adaption to content delivery and the method of ad targeting used to ensure consumers are reached in both contextually relevant and unique ways.

Programmatic is a hugely disruptive force in the digital media industry and excitement about its potential is justified. That said, concerns have arisen around the quality of the service delivered – specifically on the use of bots and fraud within some exchanges.

The key to remaining ahead of the curve when it comes to digital innovation is to constantly push the boundaries, and Microsoft is committed to helping people achieve more by giving them the right tool at the right time. We are collaborating with the industry to develop new immersive formats, with products such as sequential story-telling demonstrating this evolution in creative targeting across multiple screens.

** Gary Knight, commercial content director, ITV **

Content is king and new devices are simply new screens for people to enjoy content on. According to a study by Thinkbox 88.7 per cent of TV is still consumed live, so this is not about the decline of linear viewing and the rise of video on demand – we think new technology presents fresh opportunities for media owners such as ITV.
In order to adapt to the changing digital landscape we now distribute our content across a variety of platforms and work with our commercial partners to maximise opportunities over various touchpoints across ITV. This includes cross-platform advertising, product placement and licensing, as well as opportunities across digital platforms such as interactive video on-demand advertising and Twitter Amplify partnerships.

The power of TV still lies within its ability to deliver high quality, original content that sits right at the heart of popular culture.

Andy McNab, UK managing director, Rocket Fuel

As audiences have changed, traditional media owners have embraced disruption through social networking, streaming, video and multi-screen consumption.

This has really hurt some of the more traditional business models which were dependent on old long-established patterns of consumption.

Disruption is only a negative if you aren’t pushing digital development for your business, but change in the space can be a positive thing if opportunities such as programmatic, DSP and DMP integrations are wholly embraced with drive, enthusiasm and a clear understanding of the reasons for doing so.

One way that the industry can adapt is through education. There are tools now which drive real-time consideration, purchase intent, and brand lift – giving clients real brand metrics and insight.

As a tech company Rocket Fuel has a responsibility to inform and work alongside agencies and clients in a collaborative and informative manner. We make sure we’re doing this by running regular breakfast events around the UK for agencies and clients on topics such as brand safety and mobile.
People move
Between screens, places, media & moments.
(your ads should too)

Advertising that moves with people
+ Cross-Screen Advertising
+ Pinpointed Audience Location Data
+ Breakthrough Creative
+ Mobile Programmatic Platform

#MOVEWITHMOBILE
SHOPPING REVOLUTION

Mobile has created a stir during the retail industry’s busiest time of year, revolutionising the way people shop and bridging the gap between online and offline. Over the next few pages The Drum’s mobile focus explores some of the biggest trends of the year and takes a look at the impact of mobile on brands’ Christmas activity.
A MOBILE RETROSPECTIVE

Mobile has continued to shake up the marketing mix more than ever before in 2014. The Drum takes a look at some of the notable mobile trends having the biggest impact on advertisers.

BEACONS: SHINING EXAMPLES

The ramping up of beacon technology has been well documented this year, with retailers trialling the technology in-store to target shoppers with personalised offers and discounts.

As well as proximity based offers, beacons are being used to aid consumers’ in-store navigation, including, in the US, Target’s Christmas app, which enables customers to navigate the store.

House of Fraser was one of the UK retailers to take the leap into beacons this year, launching beacon-enabled mannequins in the summer. In its Aberdeen store, where the beacons are live, there has been an uplift in footfall, an “increase in staff and customer engagement,” as well as increased sales of the mannequin products according to a spokesperson for the brand.

INTERNET OF THINGS: STILL NASCENT BUT GROWING

A huge buzzword throughout the last couple of years, the chatter about the internet of things (IoT) has become overwhelming while the technology itself is still nascent. Yet recent developments in the space suggest that it could really be about to take off.

Big moves from the major telecoms players into the space have been telling, and may indicate that this backing is needed for the internet of things to get the boost it needs to become mainstream.

Telefónica, for instance, launched a modular internet of things platform called Thinking Things in October. The company’s global advertising chief, Daniel Rosen, told The Drum that Telefónica is helping to ‘power’ the IoT and wearable device ecosystem, but added that consolidation in the wearable space is inevitable.

Vodafone also bought into the IoT this year with the acquisition of machine-to-machine company Cobra.

Nick King, director of platform solutions at Yahoo, tells The Drum: “As a result of the internet of things we will increasingly see richer streams of data based on user behaviour. Everything from watches to fridges will become internet enabled, meaning marketers will be able to understand users’ behaviour more than ever and deliver targeted advertising at scale.”
MOBILE: COMING OF AGE?

While mobile spend has rocketed (figures released by the IAB in April found that mobile ad spend almost doubled in 2013 to take the figure over £1bn), there is still a lag in understanding of its role in the marketing mix.

Optimising for mobile is still not being prioritised by enough advertisers; in a recent IAB study, 69 per cent of people said visiting a non-optimised site was a frustrating experience, with 73 per cent saying they did not turn to an alternative device.

Meanwhile, Google introduced ‘mobile-friendly’ tags to guide consumers towards mobile-optimised sites in search results, which may prompt more brands to think more strategically about mobile.

VIDEO: MOBILE GAME CHANGER?

Mobile video continued its trajectory in 2014, with increased volumes of video consumption on mobile and increased spend in the space signalling its influence. According the Internet Advertising Bureau (IAB/PwC) study into digital ad spend published in October, mobile video advertising spend grew 196 per cent to £63.9m – making it the fastest growing digital ad format.

“Video is a natural medium for mobile advertising. It allows creative expression without paying for complex formats like touchable or shakeable mobile ads, and is perfect for brand building,” says Julian Smith, head of strategy and innovation at Fetch.

Quite terrifyingly, we already find ourselves at the end of the year, staring 2015 square in the eyes. Of course, the very nature of mobile means that, as an industry, this pace of change should be something to which we’re all accustomed. What has been another seismic year for our industry, we’ve been partnering with The Drum every step of the way, and in this mobile supplement series we have addressed many wide ranging issues in 2014 – such as creativity, measurement and programmatic.

Like the start of a new year, mobile demands that we always keep one eye on the future, anticipating what might happen next. As we move into the final few weeks of 2014, there’s no better time to start thinking ahead for what might come in the next 12 months.

One of the areas of opportunity I’m most excited by in mobile at the moment is how brands can best deliver, attribute and report campaigns across screens. This is something we’ll take a look at a little later on in this mobile focus (p41), while The Drum will be focusing on brands’ mobile activity around Christmas (p38).

As mobile becomes ever more integrated with brands’ wider digital engagement strategies, to be able to tackle the issues that matter most for marketers is hugely important to us. We hope that this insight helps guide you as you decide where this ever-evolving discipline sits within your own digital strategies.

We hope you enjoy this last mobile supplement of the year, and wish all The Drum readers a very merry Christmas and a happy New Year!

Zac Pinkham, EMEA managing director, Millennial Media
A TRULY MOBILE CHRISTMAS?

It’s the biggest time of year for retailers, and this year’s Christmas ads have largely drawn on our relationships – our families and the people who make Christmas meaningful. But how are brands capitalising on the relationship we have with our phones? The Drum takes a look at the mobile trends and behaviour influencing this Christmas for retailers.

Black Friday and Cyber Monday, those well-documented stalwarts of the US shopping year, have now become a highlight of the UK e-commerce calendar as retailers fight for consumer attention in the battle for conversions. Yet this year’s pre-Christmas period, and these dates in particular, should have struck even more fear into the hearts of marketing teams as they struggled to deliver a cross-channel, personalised and contextual mobile shopping experience in line with consumer expectations. Could this be the first truly mobile Christmas? And what does this spell for 2015?

According to Adobe’s Digital Index online shopping data for Cyber Monday, 19 per cent of total online sales (equating to $328m) were driven by mobile devices. Meanwhile, mobile phones and tablets accounted for 42 per cent of online traffic, a year-on-year increase of 21 per cent, according to stats released by Monetate.

While sales on mobile are still relatively low in comparison to desktop, smartphones and tablets are playing a pivotal role in consumers’ researching and browsing of products prior to purchase. But have retailers clicked on this power of mobile for e-commerce?

“For most retailers, the majority of the time that consumers will spend looking at the products will be on a mobile device,” says Peter Fitzgerald, country sales director and head of retail at Google UK. Yet many are still failing to pick up on this because they are not tracking consumers’ cross-device behaviour effectively and so fall short of understanding the role mobile plays in the path to purchase.

“There’s a reason their sessions are much shorter – it’s because they’re spending all their time on a mobile device. They already know what they want to buy when they come to your desktop site and finish the purchase.”

Ross Sleight, chief strategy officer at Somo, describes this year’s Black Friday as “the most mobile-based retail event in history”, with mobile traffic to retail sites increasing by 93 per cent compared to mid-October, and mobile transactions increasing by 219 per cent, according to Usablenet’s mobile platform.

According to Sleight, these statistics indicate how “essential” mobile has become to retailers.

“It’s clear that retailers must ensure they are fully leveraging their mobile shopping offering, particularly in the run up to Christmas.”

So mobile is becoming more integral to the nuts and bolts of browsing and buying products, and retailers are adjusting their online experiences accordingly. While improved experiences are underway, is the creative approach lagging? The much-anticipated Christmas TV campaigns are being lavished upon, but is mobile being forgotten about?

“Increasing spend levels in mobile do not equate to increasing creativity,” says Chrissy Totty, head of innovation at Vizeum.

“John Lewis has probably been the most comprehensive at thinking about how little Monty can live on smaller screens, through its 360 degree panoramic world and storytelling app. This isn’t groundbreaking stuff – ultimately it is an extension of the core, rather than a mobile-first strategy.”

Argos took a more creative approach to mobile this Christmas, with the development of its digital wish list app for kids. Created during a hackathon at the brand’s digital hub earlier in the year, the app allows children to choose their gifts from a series of themed sections and over 3,000 products. They can put them onto a mood board which can be personalised by drawing or putting digital stickers on favourite toys.

The trend isn’t limited to kids’ toys; this year has seen many brands develop their own mobile gift guides and apps to encourage shoppers to do all their shopping in one place. “The apps are faster, easier, stickier; they help the retailer get you to buy more from them instead of going to four or five different shops,” says Fitzgerald.

“Mobile accounts for over 50 per cent of our orders now, so we give it just as much attention as our desktop site, if not more,” explains Chris Berin, group mobile commerce manager at Mothercare, which works with NN4M on its app development.

“We pay particular attention to optimising our
mobile apps in the run up to Christmas as it is a peak shopping period for us.”

Tying together the online and offline has long been a key priority for savvy retailers looking to capitalise on increased mobile behaviour from consumers. The romantic notion of entering a store only to receive a perfectly timed, contextual and personalised message seems just too good to be true. Or does it?

Although still in its early stages of application, beacon technology is being trialled by UK and US retailers in a variety of ways, with brands including House of Fraser, Waitrose and Tesco all investing in the technology.

Research from US proximity marketing company Swrly Networks has suggested that 60 per cent of shoppers will engage with beacon-triggered offers. The busy pre-Christmas period has proven a key experimental time for some retailers trialling beacon technology – and it’s not simply being used to offer discounts.

Swrly’s clients, who include Urban Outfitters, Hudson’s Bay and Timberland, have been using beacons in a variety of different ways during the festive period, including encouraging shoppers to share selfies while wearing new merchandise according to Rebecca Schuette, director of marketing at the company. This experimental mood will continue next year, as more retailers adopt the tech, she says.

“In 2015, retailers will move beyond beacon marketing pilots to full roll-outs. They’ll start experimenting with new beacon marketing uses we haven’t even considered yet, perhaps tying in location data offered by beacons with data from their own CRM or POS systems to offer up truly personalised messaging to improve the shopping experience.”

The Regent Street app, which alerts users to relevant messages for the street’s 100 retailers, all of whom have installed beacons at their entrances, was implemented well during Black Friday, according to Somo’s Sleight.

“There’s no doubt such technologies have boosted Black Friday sales, and further adoption of beacons as well as other, mobile-based retail offerings, is critical for retailers to continue to boost sales both online and physically,” he adds.

The Christmas period sets the tone for retailers’ performance throughout the year. If the shining role mobile has played this festive season is anything to go by, the need for a cross-device, mobile-first retail strategy will become even more apparent in 2015.
This section of The Drum showcases marketing industry insights. For the opportunity to share your knowledge, contact James McGowan at james.mcgowan@thedrum.com or call 0141 559 6072.
Mobile’s new path for digital engagement

We live in a world of multi-screens, multi-platforms, and multi-devices – from smartphones to connected TVs to wearables, to name but a few. Just count the number of screens that you own or are in your house, and I’m sure many of you will be in double figures.

Consequently consumers are ever more accustomed to using a variety of devices at different moments throughout the day, and increasingly in tandem with each other. According to the IAB’s RealView study, consumers spend one hour and one minute a day using at least two devices, sometimes three, simultaneously.

Think of the most recent item you bought online. Did it follow a linear path to purchase where you engaged with just one screen? Unlikely I’m sure.

As these mobile experiences evolve, with faster data connections and better devices, consumers are also depending on their smartphones and tablets for the important stuff that used to be reserved for PCs – like purchases and sign-ups.

Why then would advertisers choose to run campaigns across screens independently? Yes, it is simple to establish which screens perform best, but would the takeaway be to stop advertising on one of these screens?

Consistency across screens
Consumers that engage across a range of devices and mediums expect consistency from brands around look, feel and messaging. As such, advertisers that buy across multiple channels should use cross-device targeting to deliver consistent and relevant messages to consumers.

Mobile gives lots of data signals to advertisers – each time a consumer opens an app there is anything between five and 30 different bits of data, from the device being used to the mobile network. Savvy brands are already looking at how best they leverage that data to deploy a joined-up cross-screen advertising strategy.

Done right, this type of targeting can see dramatic returns for advertisers. A recent cross-screen campaign by Jeep in the US found click-through rate (CTR) increased by over 43 percent on PC ads when users saw the ads on multiple screens, with over half of all impressions delivered in that campaign reaching the same users across screens.

Attributing conversions across screens
Beyond consistent messaging, there is also huge potential in cross-screen for better attribution. Imagine as an advertiser being able to report conversions from any screen, and tie them back to the first touch.

Here’s a fitting example for the season, and The Drum!
You’re checking the weather in Scotland ahead of a business trip on your smartphone, and see an ad for a hotel special on Hogmanay. Where to spend New Year is a group decision, so you wait until your friends are on board. Two weeks after seeing the original ad, you book the deal on your laptop.

By being able to evaluate the impact of an investment in this way, advertisers will know where to re-invest. The real benefit for brands here is not only knowing what worked, but who gets the credit for making it work.

Mobile at the heart of cross-screen
Cross-screen advertising will shift brands’ focus beyond impressions and clicks to better understand consumers by the frequency that they reach them across multiple screens – how they engage with advertiser messages on different devices – and the path they take to and from that message.

In 2015 advertisers simply must connect with audiences across smartphones, tablets, laptops and PCs, to make their campaigns more consistent, cohesive, relevant and impactful. This next phase of digital will push brands to become more strategic with mobile, taking a cross-screen approach and placing it at the heart of all digital communications, to align advertising and messaging as audiences move across devices.

**“EACH TIME A CONSUMER OPENS AN APP THERE IS ANYTHING BETWEEN FIVE AND 30 DIFFERENT BITS OF DATA, FROM THE DEVICE BEING USED TO THE MOBILE NETWORK.”**

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Zac Pinkham
Managing Director, EMEA
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Maximising premium publisher mobile ad inventory

Are premium publishers getting the most out of their growing mobile audience? In this article, Bill Swanson, UK Country Manager at PubMatic, shares best practices for publishers looking to take advantage of this great opportunity.

Over 90% of adults in the UK own a mobile phone and active 4G mobile subscriptions grew 1800% year-on-year from 2013. With the average UK resident spending almost two hours a day on their smartphone, we’re a generation that thrives on multi-tasking, consuming media from different devices simultaneously.

Given the continued growth of mobile, it is imperative that publishers develop a coherent mobile advertising strategy to maximise the growing mobile monetisation opportunity. The good news is that there is a very solid path to follow, one that builds on the concept of “premium” inventory, already familiar to quality publishers in the desktop world.

The math of premium mobile inventory is simple: the more a publisher knows about an audience member and the data parameters they can attach to the inventory to qualify it, the higher the CPM they can expect to garner for such inventory. To maximise the value of mobile ad inventory, here are five top tips from our recent mobile whitepaper:

1. Utilise location and device ID
Location and device ID are the two most effective data points when it comes to delivering enhanced value. Location data can produce a 20-40% increase in eCPMs, identifying device IDs can also increase eCPMs by an average of £0.39 to £0.55.

2. Recognise the high demand for app inventory
The potential of mobile app inventory to produce more targeted, effective and engaging ads is unmatched, making it highly desirable to buyers. In fact, mobile app inventory is typically monetised 30-50% higher than mobile web inventory.

3. Monetise mobile web inventory
Publishers focusing on web-based experiences should employ best practices including registration or data scraping to pass along key variables such as location and device ID to maximise the value of their browser-based inventory. This will avoid the common stumbling block for publishers, securing internal resources to make these key data changes. The added benefit is increased ROI through upgrading mobile browsing data capture techniques.

4. Identify the difference between mobile programmatic vs. desktop
The growth of mobile programmatic has quickly presented the differences between desktop-based programmatic buying in key areas such as bid, fill and win rates. For example, in 2013, desktop platform buyers bid 30% of the time but won only 5% of the time; alternatively, mobile buyers bid only 13% of the time but won 23% of the time.

5. Drive ROI through Private Marketplaces (PMP)
PMPs, popular for desktop inventory, are now becoming common for mobile buying. As precision and quality of audience becomes the standard for mobile advertising, the advantages of PMPs, exclusivity and the ability to package different types of inventory will be critical to maximising revenue opportunities.

To learn more, “Getting the Most Out of Mobile: 5 Ways to Maximise the Value of Premium Publisher Mobile Ad Inventory,” is the first of a three-part series of whitepapers and sets the stage for programmatic growth in mobile, outlining the characteristics of premium mobile inventory, providing publishers with best practices for making the most of their mobile inventory. Download your free copy here: pubmatic.com/mobile-whitepaper

3 considerations for brands targeting app users

In the face of it, smartphones and tablets may seem like similar devices, but don’t be fooled. They are completely different beasts and the way consumers use them differs fundamentally in several ways. While consumers may search the web, research purchases, and shop online using both devices, they exhibit different behaviour depending on where they are and what they want to do.

This is particular apparent when looking at consumer use of mobile apps, which now form a central part of many brands’ marketing strategies. Beyond treating smartphones and tablets as separate devices, brands must face up to the task of responding to the unique behavioural traits of mobile consumers when developing apps or targeting consumers through them. With so many factors to consider, it can be tricky to work out what to pay attention to, however there are three things all brands must think about:

Ask yourself: Do you need an app?
Creating a winning app from a standing start and without considerable build and marketing budget is now statistically near impossible. Around 10% of all revenue in Google’s Play store comes from just four apps, and 10% of Apple’s App Store revenue comes from just seven apps. So, should you create an app?

Your decision should reflect whether you are building something new, leveraging an existing brand or user base, and whether you need one at all. If your brand relies heavily on search engines as a channel then a mobile-optimised site must be your priority and an app may just be a waste of time and money. If however you have a captive audience or fan-base, then an app could be equally or more important than your website. It all comes down to who you are and the type of business you operate.

Where to set up shop: online or in app?
In many cases, mobile consumers prefer to make purchases via a website rather than an app. Research by Google found that 66% of US smartphone shoppers prefer to use the mobile web as opposed to mobile apps for shopping. Similarly, a study by Nielsen found that retailers’ mobile sites are up to two times more popular over the Christmas shopping period than their apps.

However, apps remain popular among mobile shoppers. Those apps which feature a large inventory of products to buy, such as those from department stores, supermarkets or online, typically do well as they provide an easy way for consumers to make purchases quickly. Brands that stock fewer products and see consumers return less frequently may find bagging a place on consumers’ phones more difficult. As such a mobile website may be the best approach.

How to promote your app?
According to a study by Appsavvy, in-app advertising performs over 11 times better than standard banner ads. It has also become incredibly easy to place advertising within third party apps utilising platforms such as Google’s AdMob, which focuses exclusively on in-app advertising.

There are several options for how to buy in-app mobile advertising: CPC (cost per click), CPM (cost per thousand impressions) or CPA (cost per action). You can pay each time a new customer downloads your own app, subscribes or buys from you. Whether you want to achieve more traffic, more downloads, a higher ranking in the app store, more subscriptions or more purchases, there are now plenty of options to help you achieve your ambitions through in-app advertising.

If in doubt, tap up the experts
While you may think that other brands are miles ahead when it comes to understanding and targeting mobile consumers, the truth is that most businesses, even many of the world’s biggest brands, have yet to accomplish the basic requirements needed to embrace the mobile consumer. There are still countless unresponsive websites and completely unnecessary apps out there. Even rarer are businesses that are embracing mobile display ads in creative, smart and ambitious ways.

As we enter 2015, we are now in a phase where advancement in mobile marketing driven by the likes of Google, Apple and Facebook is pulling away from marketers and advertisers. The inherent complexity and the necessary bandwidth requires a committed change of gear. In the New Year, brands will need to think mobile-first and cater to the different tribes in their mobile and tablet habitats.

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3 x 43
Following the IAB’s announcement that mobile video is the fastest growing ad format in the UK, it is worth taking stock of the fact that only 15-25% of skippable online video ads are viewed to completion. That means that at best, 75% of all mobile ads are skipped. However, in order to help maximise the opportunity afforded by mobile video, brands can take the following steps to ensure their ads have the best chance of being seen:

1. Make ads specific to online environments
   Repurposing TV ads that make use of a full 30 seconds for online environments isn’t effective. Skippable ads are by definition, advertising by invitation. If brands want to be let onto individuals’ screens for extended periods of time, they need to strive to create a compelling and engaging invitation possible. That means starting with a ‘bang’, and leading with an attention-grabbing scene within the first five seconds of the ad.

2. Use software to make sure the ad is relevant to the audience
   As digital video advertising spend increases dramatically, it’s clear that advertising budgets are following audience eyeballs across devices. Video on Demand (VOD) services are helping drive this behavioural shift: Netflix, for example, added 1.7 million new customers in the first three months of this year and advertisers have taken note.

3. Add an interactive element
   Adding interaction gives the user incentive to click through, opt-in and even ask questions, ultimately providing them with a more personalised and engaging user experience. Elements that allow advertisers to do this include a click, mouseover or rollover that could initiate further action or content; a clickable button that allows the user to access a brand’s social media channels; a call-to-action within the video footage itself, which pauses the action and allows the user to vote or click-through; or an overlay that initiates a microsite within the actual ad experience.

4. Incentivise the viewer not to skip
   This new digital landscape offers the ability to meticulously track impressions and conversions, analyse the customer journey and importantly, target specific demographics to ensure ads are reaching a relevant audience. Where television relies on antiquated methods of measuring viewers to sell advertising, brands have a wealth of data analytics and measurement tools at their disposal in the VOD and online world. Relevant ads for specific audiences can be delivered more effectively and success can be gauged more accurately.

5. Consider the ad length
   Nobody wants to watch a feature-length ad in order to watch a two-minute music video. With this in mind, long-form ads need to have short-form edits so that they can better compliment the content they precede. The IAB recently found that 15 seconds appears to be the optimal length for digital video, but noted that ‘30-second spots do well at conveying a complex or emotionally resonant message’ – but that these formats work best when user-initiated. Ad length, therefore, needs to be subject to a number of considerations – the content it precedes, the context in which it sits and the degree of user interaction, as well as the message that it is looking to convey.

Five ways to make sure ads aren’t skipped
Content in context

Creating compelling content strategies that engage your customers at every point in the marketing lifecycle can be a challenging process. The key to success is understanding you customers, and how you are able to engage with them at each point in the most effective way.

Purchase lifecycle

The retail purchase cycle of Stimulus, First Moment of Truth, Second Moment of Truth and Post Sale has existed since Proctor & Gamble coined the terms. This describes the anticipated consumer behaviour at each point of the purchase cycle from influence in the Stimulus to the last few seconds of the decision making process in the First Moment of Truth.

Google has since added the Zero Moment of Truth (ZMOT) which describes the research phase that a consumer initiates online prior to a purchase and the Ultimate Moment of Truth (UMOT) where a consumer shares their experience with others. These stages have always happened, they just happened away from the brands attention. What has changed most is our ability to see where these conversations are happening and by who, and we are then able to alter our content in response to the mind-set of our consumer.

Consumer Mind-set

If we look at three of the stages in this purchase lifecycle we can start to understand how we can show content during the customer journey in order to help the customer get to the decision stage sooner.

During the Stimulus stage, we are trying to illicit a reaction from the consumer. The opportunity is for the brand to show that they have an affinity with the consumer’s aspirations and desires.

In the Zero Moment of Truth the consumer typically understands the THING that they are interested in, and is now looking for reviews in order to compare the different brands that offer it.

The most common mistake in Stimulus and ZMOT is to rush to show the consumer exact product you think they want. A brand can get caught in the “comparison trap”. In this trap the consumer moves immediately to comparing features, price and function instead of listening to his friends and other trusted sources.

In the Ultimate Moment of Truth the consumer wants to be recognised as having made a sound financial decision and having bought an enviable THING. In this stage it is important to capitalise on them sharing their experience.

A mistake commonly made by brands is to ask the customer about their purchase experience and do nothing with that data. By controlling the channels on which your consumer shares their experience with your product you will create more content for your ZMOT consumers to reference.

Consider rewarding your customer for sharing and reviewing your product. Your UMOT content strategy is possibly the most important and overlooked part of a marketing campaign.

Driving Content with Data

During the early parts of the marketing lifecycle there is very little data about the consumers to influence the content. In Stimulus and ZMOT a brand is reliant on 3rd party affiliate data from display advertising, social listening and perhaps web. The content decisions can be focused on high level brand messages and product positioning.

After the purchase and by the Ultimate Moment of Truth a brand has received a huge amount of data. It’s no surprise that this is when content strategies start to become less defined with brands rushing to show “the next purchase” rather than concentrating on turning a customer into an evangelist.

One way to plan your content strategy at this point is to ask the questions in the image above.

The Future

Predicting the future is never easy but we are already seeing a substantial change in the early stages of this marketing lifecycle. In the Stimulus stage of the process we are seeing more and more data being made available to brands. With the advent of location aware apps, browser identification, and smart TV’s we can now start to understand and control the audience we are addressing with typical Stimulus and Advertising content such as TV adverts, electronic billboards and in store signage.

If you’re currently developing a content strategy for your brand, ask yourself; are you prepared to deliver context at each of these stages?
Come one, come all to the hive of marketing industry gossip that is The Drum’s Vibrator. Every two weeks, our girl about town Claire Snare shares the news from the media and marketing scene that doesn’t make the headlines.

The Digital Podge lunch, attracting 200 or so of the UK’s top digital talent with copious amounts of booze, is always a hive of juicy tidbits – and none more so than this year with its theme of ‘Podge Leaks’. In keeping with this theme, founder Phil Jones curated a cheeky one-off edition of The Drum comprising embarrassing photographs and saucy stories about many of the guests present, much to their surprise.

But little did Agent Phil know that The Drum had in fact given him a taste of his own medicine by tracking him in the run up to the event, culminating in a tabloid style snapping by our paparazzo’s long lens while he obliviously ate his breakfast. The resulting shot was then used to grace the cover of this special issue, making a cover star out of our mischief curator. Sure that isn’t humble pie you’re tucking into, Phil?

Speaking of audacity, said issue is so revealing that copies have become unsurprisingly scarce – but of course, yours truly managed to nab one, and let’s just say… there’s enough gold in there to keep this column powered for a year.

Nothing worse than having to cater your own party – especially when you’re not even alive! No, I’m not talking about me on a bad hangover. The opening of the new home of IBM’s supercomputer, Watson, saw a new use put to the technology marvel, when it was asked to cater for its own party. The opening event, held at the newly built offices in Downtown New York, saw staff and clients celebrate the move, which will be the central headquarters for both Watson and IBM Interactive.

I’ve never been one for spending much time in the kitchen, and apparently cooking may soon be a thing of the past if this stunt is to be believed. Chef Watson has apparently been able to figure out the recipes to a number of dishes including African Chicken Frittata and Grilled Corn and Nectarine Salad with Toasted Spice. What a clever cookie.

All very impressive, but if he/she was really smart then it would have just opened a bottle of wine, reached for a phone and ordered in some pizza instead.

Those lucky enough to get a ticket to the Social Buzz Awards last month will remember that the stress balls provided by sponsor Iomart actually created a little stress of their own for those on stage, as IBM’s Andrew Grill started a mass lobbing of the Christmas-themed balls to anyone who walked on stage. The night’s comedian Ian Moore came off the worst, admitting to me at the end of the night that although most missed, one of the balls made contact with a different pair of balls. Ouch.

It’s not every day you have a client inform you that you’re known in the industry by a name other than your own. But that’s what Ogilvy & Mather chief executive Annette King recently confided to us on the rooftop of the agency’s soon-to-be new home at the Sea Container building on the South Bank. “I was stunned,” she said. “I eventually got out of them that my nickname is AK47?” Can’t think why, Annette...

Email me at claire.snare@thedrum.com or vibrator@thedrum.com
All tip offs will be handled in confidence.
I PROMISE!
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HEARD ANY JUICY STORIES YOU WANT ME TO KNOW ABOUT?

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DROPPING BALLS

AK47

KITCHEN

WHIZ

It’s not every day you have a client inform you that you’re known in the industry by a name other than your own. But that’s what Ogilvy & Mather chief executive Annette King recently confided to us on the rooftop of the agency’s soon-to-be new home at the Sea Container building on the South Bank. “I was stunned,” she said. “I eventually got out of them that my nickname is AK47!” Can’t think why, Annette...
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