

# Advertising 2.0

What everybody in advertising, marketing and media should know about the technologies that are reshaping their business.

**By Paul Beelen, February 2006**

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## Introduction

There has never been so much change in the way people communicate than there is right now. New generations use tools their parents don't even understand, and young people consume news as easy as they create and publish it themselves. These shifts in communication will undoubtedly have consequences for the communication industry. Can advertising campaigns still be based on a mix between 30 second tv commercials, print ads in top-down media and below the line activities?

This time, the web is about conversation, cooperation, and empowerment of the masses.

Roughly five years after the burst of the Internet bubble, developers and investors are regaining trust in the World Wide Web. But not in the web as we know it. This time it's about conversation, cooperation, and empowerment of the masses. This time it is bottom-up, instead of top-down. People are taking back the web that companies have been trying to commercialize for the past 10 years, without much success. This time, the web is going social. Within the Internet community, this new, grown up version of the web is called Web 2.0.

If we combine the social aspects of new web applications (which I will explain later on) with technological developments such as the ever dropping price of hardware, the rise of wireless communications and the massification of mobile phones, we can start to see major changes in a lot of aspects today's advertising relies on to be effective. This paper intends to explore these changes.

What's the effect of an advertising campaign, in a world where every consumer has instant access to all hard data about any given product? How can we even reach these consumers in a media landscape that consists of millions of personal blogs, podcasts and time shifted television? What is the role of marketing when consumers are directly connected to almost anybody within the companies they buy from? In this paper I will attempt to provide some answers (or at least clues), but for now, the best way to be prepared is to simply be aware of the fact that things are changing. Something has been set off, that is impossible to stop. And it will force advertising to reinvent itself in quite a few ways.

# 1 A Context for Change

## The Internet is taking off. Again.

Everybody remembers the burst of the Internet bubble at the end of last century. Many companies are still very cautious and skeptical after the losses they had to take on their Internet investments, and E-commerce never did fulfill the expectations. But today, the Internet is growing mature. A new Internet is being developed right now. Investors are regaining faith and little start ups are emerging. What's different this time?

This time, the Internet seems not to be about the money (at least, not directly). Instead of companies trying to find out how to expand their business to the web, today's most popular web services are about sharing information and connecting people. Ideas are becoming more important than business models. The people are taking back the web that companies have failed to make theirs. A lot of advertising agencies have already closed or sold their Internet departments, the same departments they set up (or acquired) in panic when their clients started worrying about Internet presence.

This type of Internet is far more dangerous to the advertising industry than the previous one.

The panic that struck advertising agencies and their media departments in the nineties, seems to have transformed into a state of comfort. Internet did not keep its promises and everything has gone back to normal again. But what really has been developing after the bubble, is a type of Internet that is far more dangerous to the advertising industry than the previous one. This new type of Internet undermines the very principals advertising has relied on for decades, such as information-asymmetry and top-down content delivery.

Not only the incredible amount of information available on the web will tread these principals, but mostly the social aspect of it. Now, everybody can add information in an extremely easy way, such as writing a weblog. Everybody can read and recommend blogs or blog posts and contact their authors. Every little piece of information is tagged accordingly and every consumer can search all these micro media more efficiently than ever before. Huge groups of people work together (whether they're aware of their cooperation or not) in order to have good content come forward and bad content being overshadowed. People will be able to review and rate everything, in order to make this enormous stream of information more efficient and more relevant.

All these features of the new Internet are described in Tim O'Reilly's definition of the so called Web 2.0:

*Web 2.0 is the network as platform spanning all connected devices. Web 2.0 applications are those who make the most of the intrinsic advantages of that platform, delivering software as a continuously updating service that gets better the more people use it, consuming and remixing data from multiple sources, including individual users, while providing their own data and services in a form that allows remixing by others, creating network effects through an architecture of participation and going beyond the page metaphor of web 1.0, to deliver rich user experiences.<sup>1</sup>*

### Mobile technologies

Until now, we have known the Internet as part of our desktop or laptop computers. Some have it on their portable devices, but that is actually the 'static' web on a moving device. What we will see in the future is broadband on mobile devices, and applications designed especially for mobility. This will make geographic contextual information possible and, of course, geographic contextual advertising. But it will also allow people to instantly read peer reviews about the shop or office they are about to enter, or receive offers from a restaurant in the street they are actually walking in. How far these kind of geographically aware technologies will actually be able to flourish will mostly depend on political decisions about privacy matters, but the advertising industry should be anticipating them anyway.

Geographic contextual information will allow people to instantly read reviews about the shop they are about to enter.

When broadband reaches mobile devices (which is already happening), the mobile phone will do for the Internet what the telephone did for the telegraph: to make it a truly mainstream technology<sup>2</sup>. Mobile phone penetration is already outnumbering PC ownership, and the renewal rate of mobile phones is high, triggered by new technologies constantly emerging. This phenomenon of masses having access to mobile Internet will only amplify most of the effects I will discuss in this paper.

## 2 Media Democratization and its Effect on Mass Media

During the past 5 years, one of the most profound social effects of the Internet has been the democratization of media. Nowadays, anybody with a computer and an Internet connection is ready to start broadcasting to the whole world, for free. Online tools such as the well known Blogger (created by PyraLabs in 1999 and acquired by Google in 2003) make publishing on the Internet extremely easy and accessible to people with hardly any technical knowledge. The phenomenon of democratized media results in a landscape of millions of micro-media, most importantly in the following forms:

**Weblogs** (or blogs) are in fact web pages that are extremely easy to update, published by one person or a group. Most recent 'posts' or articles are displayed at the top. Blogs typically offer the possibility for readers to leave comments on posts, which typically leads to dialogue. Creating a basic weblog is free, and every weblog is globally accessible. Technorati, a blog index and search engine, currently monitors 27 million blogs<sup>3</sup>.

**Podcasts** (combination of the words iPod and Broadcast) are essentially radio programs, distributed in MP3 format. Although somewhat more difficult than creating a weblog, creating a podcast is still relatively easy and very cost-effective. The incorporation of podcast features in Apple's iTunes version 4.9 (June 2005) resulted in a steep increase of producers and consumers of this technology. Podcast can be easily downloaded to a portable MP3 player, which, in essence, makes it time shifted radio.

**Videocasts** (Video Podcasts) are video files distributed in MPEG-4 format. Apple again has been an agent of change in this technology, launching the iPod Video in October 2005, together with videocast support for iTunes. Home-made videocasts are starting to appear, and Apple is distributing popular television shows (Law and Order, Tonight Show, and many more) through videocasting, available instantly to the whole world.

**Wikis** are types of websites that enable cooperation (open to the public or within a company or group) by allowing people to freely edit all of its content. The result is a publicly edited website, with as little top-down control as possible. The best known wiki is Wikipedia.org, an online encyclopedia that allows all registered users to improve its articles.

The first three of these new forms of media come with a universal technology for distributing content over the Internet: RSS. RSS is a very important part of all three technologies, as it allows consumers to literally subscribe to content.

**RSS** (Rich Site Summary or Really Simply Syndication) facilitates syndication of content. By subscribing to an RSS feed, content will be delivered automatically to the subscribers computer, rather than him or her going out to a website to find it. This content can be either text (weblog or news feed), audio (podcasts) or video (videocasts).

Major news websites have adopted RSS, publishing constantly updating newsfeeds to the Internet. These feeds can be viewed in so-called RSS readers, software (web based or stand alone) that receives these RSS feeds, interprets them, and shows their content either as articles or as multimedia. New uses for RSS are being developed constantly and according to many, it will be the future standard of distributing content on the Internet, in the broadest sense.

### What are the consequences?

Combinations of these technologies are leading to a complete democratization of media. Individuals find themselves with the same possibilities as major newspapers, groups start weblogs that compete with global content distributors, and online radio stations emerge. The cost of broadcasting has never been so low. Everybody with a PC and an Internet connection can not only access all *traditional* media from all over the world, but also the micro-content added to the media landscape by individuals. Millions of people have evolved from being mere media consumers to being media producers as well.

### How effective are mass media when we all have a medium of our own?

People will listen to podcasts with topics so specific that mainstream radio could never afford to spend time on it.

It is very clear that traditional media are losing their grip on their audiences. As a result, consumers will be extremely difficult to reach, as they will be scattered all over this landscape of micro-media. Instead of reading the mainstream local newspaper, they will read micro-content written by someone with the same interests they themselves have. For news, they will rely on RSS feeds from local and global news sources, directly to their RSS readers (they will click through to the newspaper's website, but only if they find something interesting). In their cars, they will be listening to a podcast about a topic so specific that mainstream radio could never afford to spend time on it.

In the spring of 2005, Audi bought ads on 286 blogs. In December 2005, MSNBC ordered ads on 800 blogs<sup>4</sup>. Their partner in these campaigns is Blogads.com, a media company for blogs. An excerpt from their website:

*Blogads stir opinion makers. You need to woo the early adapters that traditional media can't reach. You need to engage 500,000 opinion makers, not pester 100,000,000 nobodies. You need blogads. Read by fanatics, pundits and journalists, blogs increasingly set the insider agenda.*

Of course, these are the people that sell the ads themselves, but in a way, they are right: today's hyper fragmented media landscape allows for micro-targeting to ensure relevancy of commercial messages. Instead of targeting huge target groups through expensive television or print ads, companies can now target their messages more specifically.

Also last year, Sony agreed to spend US\$25.000 a year on the sponsorship of a new blog being launched by Gawker Media, a commercial blog company. These are expenses that are taken out of advertising and media budgets. Because publishing a blog is infinitely cheaper than maintaining a TV station, a newspaper or a magazine, blog ads or blog sponsorships are often real bargains. For the price of one ad in a popular magazine, brands can now buy a blog from a well known blog publishing company. Will the rise of extremely cost-effective publishing platforms such as blogs and podcasts allow companies to cut on their media expenses? Will they be able to reach an audience of better quality for less money than they spend on traditional advertising? Chances are they will.

The only way of reaching these consumers seems to be micro-managing media expenses. Producers of pet food will want to start sponsoring a podcast made by and intended for dog owners, instead of spending their budget on TV ads that target just about anybody. Target groups will break up into micro-targets, and media expenses will need to be reviewed in order to match that shift. Of course, this will also imply changes for the content of advertising.

A lot of advertising campaigns have newspapers as a significant part of their media plan. What will the role of newspapers be in a world where most of the people that buy newspapers also have access to a computer (and those who don't will have mobile phones, as we saw earlier). Isn't the next morning too late to call it news? The top-down distribution of news, the way a traditional newspaper works, just cannot keep up with the way citizen journalists did their jobs during the July 2005 London bombings, spreading content bottom-up, through weblogs and online photo-sharing website flickr.com, for example. Hours after the incident, already hundreds of pictures could be found on Flickr, conveniently tagged with the keyword Londonbombings. These were pictures taken by ordinary people who just happened to be on the spot. Moblog.com, another website dedicated to the distribution of photographic material taken by citizens, received 36.000 visits the day of the bombings. This kind of sources, combined with more traditional online news services and distribution technology RSS, make a next-day newspaper obsolete. Some even predict that by the year 2007, at least one mayor newspaper will cease to exist<sup>5</sup>. That might be an exaggeration, but the decreasing relevancy of printed news sure is something the advertising industry should worry about. The London newspaper The Guardian states it intentions to be spending 80% of its time to online activities by the year 2011<sup>6</sup>. This clearly indicates that we are witnessing a huge shift in the media landscape.

The videocast Rocketboom is made for US\$ 20 a day and reaches over 120,000 viewers.

But it is not only print media that is suffering. One of the world's most popular videocasts is called Rocketboom<sup>7</sup>, a show that is made for about US\$ 20 and reaches about 120.000 viewers daily. The show is available through Apple's iTunes and other Videocast directories. Of course, it is delivered through RSS which means people can subscribe to it and receive the show automatically every day, on their PC or on their iPod Video. December 2005, TiVo signed a deal with Rocketboom to start offering the show on TiVo boxes as well<sup>8</sup>. This means all TiVo users can now record Rocketboom on their digital video recorder, just as they would record a 'normal' television show. Now, the twenty dollar Rocketboom show competes directly with shows broadcast by CNN, Universal and Fox. Media democratization at its best. Rocketboom recently sold one week of ads at US\$ 40,000 in an online auction.

But there is more. Various companies, such as Apple, are currently working on something that will close the gap between a couple of old and new technologies. Set top boxes that connect television sets to the internet are being developed. The combination of 'regular' television equipment, increase in available bandwidth, the internet and RSS distribution technology, will offer a world of possibilities we could not have dreamed about a couple of years ago. The bad news for marketers is that these dreams will turn into nightmares, if the advertising industry does not adapt.

### The role of RSS in the future of mass media

RSS, the Internet standard for distributing content, will affect mass media. RSS, allowing users to subscribe to specific content which they will receive in online or application based RSS readers (and later on, in other RSS enabled devices), is not necessarily a threat to mass media, but it sure is a threat to the way mass media distributes its content. It is a big advantage for online media over traditional media, printed or broadcast over radio or cable. It allows users to filter news, subscribe to certain sections and discard others, and being alerted when news comes available. It creates a personal media experience to a level that traditional top-down media cannot compete with. The model where a group of editors decides about what will be in the newspaper or on tv, is obsolete.

Media strategies still depends mostly on top-down media, whereas the trend is clearly towards bottom-up micro media.

However, mass media can use RSS in their favor (as some important media have already noticed). In the case of a newspaper, for example, by publishing area-specific newsfeeds containing only headlines, allowing users to click through to the sources' own website for the complete article. Of course this will result in modifications in the structure of the website (no one will enter through the front door, so to speak) and it will move the printed version of the newspaper to a situation of disadvantage, for being far less flexible and therefore less relevant than its online counterpart. So any way, it will have consequences for advertisers.

We can conclude that media strategies (and thus advertising) still depends mostly on top-down media, whereas the trend is clearly towards bottom-up, citizen driven micro media. In terms of media planning, the challenge for the next 10 years will be to adapt to this new set of rules, bearing in mind the fact that, with such amount of power about content, consumers might actually want to steer towards a media environment with much less commercial messages, or at least one with more relevant, opt-in forms of advertising.

## 3 Word of Mouth 2.0

We have already seen that technological developments are changing the way content is distributed and consumed, and consequently the way advertising will be delivered. Let's take a look at how the social aspect of the new Internet influences the advertising industry.

### The cocktail party goes digital

Most advertising professionals will agree that one of the best ways to advertise a product or service is Word of Mouth. Hearing a positive comment about a product or service is still more powerful than many commercials or print ads, even more if that comment comes from someone you know and trust, and bad comments can often do more harm than advertising can make up for. The thing about word of mouth is that it typically stays within the cocktail party or the water cooler conversation. Until now. With millions of consumers also being publishers, this conversation is taken onto the World Wide Web, in the form of podcasts, wikis, forums and most importantly: blogs. Blogs allow comments, a feature that makes them actually just like conversations, available to the whole world. Also (and this is very important), they are search engine friendly, which means that services such as Google Blogsearch and Technorati index them to convert them into a completely searchable database of cocktail party conversations.

A search for Toyota in Technorati.com returns 20 posts (articles) in blogs over the past 2 hours. A search for Sony returns 30 posts over the past hour alone, most of them about the digital rights management scandal the company is involved in at the time of this paper being written.

Word of Mouth  
has just  
been supercharged.

A case that, by the way, was brought to the attention of mass media by a handful of powerful bloggers. A product related search for the Nikon Coolpix P1 Digital Camera returns 20 posts over the last 6 days. A lot of these articles are posted by consumers, in their own blogs. I can read them, comment on them, and I can contact most authors by email. I can even add an RSS feed for all of these searches to my RSS reader, in order to stay informed about future conversations right as they develop. Word of Mouth has just been supercharged.

So what does that mean for advertising? What is the role of an advertising campaign in a world where every strength and every flaw of every product or company is publicly available and easily retrievable? If I am in the market for a digital camera or a car, wouldn't I just want to look some models up on the Internet, compare their prices and read reviews on Amazon.com or a car review website, read some blogs from people that have purchased the models I am interested in and base my choice on that type of information? Information that is (most likely) much more neutral than what the advertising campaign tells me. In a rational world, I actually would. But then, advertising professionals might say, there is always the influence of the brand, and brand building will always be advertisers' territory.

## The value of brands

Of course, brands add value to products, and brands are - and one could argue, will be - created by advertising, not by blog posts. That is true. But in this hyper connected world, consider the damage that has been done to brands in the following cases, all triggered or powered by individuals using their own micro media.

**In June 2005, Jeff Jarvis wrote** about his recent purchase of a defective Dell notebook computer, and the very bad customer service he received from Dell, despite having payed extra for extended service<sup>9</sup>. He used his own blog to communicate the problem. Jeff started to receive comments from a couple of other angry Dell clients, and the word was being spread amongst peer bloggers. Later on, the story was picked up by traditional media such as the New York Times, The Guardian, Washington Post and Wall Street Journal. Dell sales stalled, and in October 2005 Dell issued a profits warning. A study revealed that Jeff Jarvis had indeed had a great influence in creating what was called Dell Hell, which eventually caused Dell's stock price to fall. Without any doubt, the Dell brand has been damaged in this process.<sup>10</sup>

**On September 12, 2004, someone posted in bikeforums.net** that he had managed to open a Kryptonite Brand bike lock by using only a Bic pen. The following day, a forum peer confirmed that post by posting a video file of the lock actually being picked. A couple of days later, the story ended up on Engadget.com, one of the worlds leading blogs about technology and gadgets. Dozens of other bloggers followed. Within a week, the story got into the New York Times, under the headline 'The Pen is Mightier than the Lock'. Only after appearing in the New York Times, the company decided to post a statement on its website, but severe damage to the brand had already been done.<sup>11</sup>

**More recently, Blogger Mark Russinovich posted** to his blog that Sony's music CDs automatically installed digital rights management software on hard discs upon playing the CDs on a computer, practically hacking the PC's system. He called it unethical and possibly illegal. Almost immediately other bloggers picked up the story, echoing it on their own blogs. Once again, traditional media picked it up and Sony ended up aborting the sales of 50 CD titles, and replacing all CDs already sold by new, virus free versions. Fred von Lohmann, senior intellectual property attorney for the Electronic Frontier Foundation: "It seems crystal clear that but for the citizen journalists, Sony never would have done anything about this".<sup>12</sup> Once again, this affair has clearly affected the company's reputation, at least amongst tech savvy users, which happens to be one of the most important and influential targets for Sony.

These are three very clear examples of what happens when companies make mistakes in a hyper connected world. This is not only about picking better products, it is also about the brands' reputation. Errors committed by companies are communicated instantly and will eventually find their way to consumers. There is no doubt that these particular cases benefited from the fact that this phenomenon is still new, but remember that in these cases no single search engine played a significant role. Soon, these kind of cases will not find their way through media land as easily as

these pioneer cases, but by then consumers will be aware of blog search engines that enable them to inquire about any product or service available, before doing business or just to find consumers with common after sales problems.

### Advertising losing an ally

Advertising has long been based partially on something called information-asymmetry. The company knows more than the consumer, and uses this information to seduce a target group or to correct a common perception by manipulating a market. Simplified, if a company knows its products are being seen as technically inferior by many consumers, it might want to address that problem in an advertising campaign. The effect such a campaign would have on isolated

Hyper connectivity leaves no room for mistakes, nor does it allow advertising to lie or to omit the truth.

consumers is far higher than the effect it will have on a hyper connected market, as each individual is now able to tap from the knowledge of a huge base of consumers, who probably came to the conclusion the products were technically inferior even before the company knew it. In other words, information asymmetries have been 'mortally wounded'<sup>13</sup> by today's connecting technologies.

In fact, one might say that hyper connected individuals are less likely to be influenced by advertising. Also, hyper connectivity leaves no room for mistakes, nor does it allow advertising to lie or to omit the truth. Therefore, advertising will need to adapt and learn to communicate with consumers in a fair, transparent way. Consumers now have access to information they didn't have access to before, and they will use it to judge advertising campaigns, and invalidate them whenever possible.

## 4 A New Language

*Online markets will talk about companies whether they like it or not. People will say whatever they like, without caring whether they are overheard or quoted - in fact, having one's views passed along is usually the whole point. Companies can't stop customers from speaking up, and can't stop employees from talking to customers - and empowering them to act on what they hear<sup>14</sup>.*

*Rick Levine, The Cluetrain Manifesto*

At the beginning of trade, advertising was actually nothing more than a salesman shouting the price of his goods out loud on the local market. As the market started to grow, it became impossible for company owners or boards of directors of, for example, a car company to shout to each and every customer about the quality of their manufactured cars. They now needed to sell so many units, that this was clearly not an efficient strategy. So they started using mass media to do the shouting for them. And the advertising industry was born.

That was actually not a bad idea back then when the market could be divided in relatively large target groups looking at one of 5 (and later 20, and 100) available television stations and reading one of 5 available newspapers. Individual consumers were relatively isolated and the best way to reach them was through one of the few mass media outlets the public paid attention to.

Instead of fake, artificial commercial messages people can now get real life comments from peers on anything they want.

But there is one problem with that. Doc Searls is right when he says that customers don't want to hear from business. It's worse than noise, it is interruption<sup>15</sup>. Instead of fake, artificial commercial messages people can now get real life comments from peers on anything they want. They can go to the net and read everything - both commercial messages *and* real people talking in real language - about the product they are specifically interested in. More importantly, they do this when they have time, not when some media department thinks it would be a good time to show them a TV ad.

This might sound repetitive to some, and still science fiction to others, but the truth is, it is already happening and it is most certainly going to affect advertising. Now that consumers are no longer dividable in large target groups, and they are hyper connected through the World Wide Web, they will want to push advertising out of their decision making process and reach out for peer consumers, cold technical information and even maybe try to contact someone from the company they are considering to do business with, through a blog, a forum or just by sending an email.

There is no significant role for advertising in this scenario unless advertising adapts and changes its language. Customers will want to talk *with* companies, they will no longer just want to be talked *to*. Once companies understand this (and some, mostly Internet or technology related companies, are already starting to), they will want to use advertising as a tool for this conversation. Advertising agencies will have to start learning how to *communicate with* a micro

target, not just *talk to* a large target group. Future communication will be about conversations, and conversations have traditionally been more a public relations matter than an advertising agency's job.

There's more bad news for advertising agencies regarding this new consumer/company relation. It cannot be faked. Now that it's technically possible for every person to talk to every other person, consumers no longer accept this 'personal conversation' being offered through an artificial channel.

In the beginning of 2005, Vichy - a French cosmetics brand owned by L'Oreal - wanted to launch an anti-aging creme using a new strategy: to take part in this new, online conversation. France is one of the countries where blogging has had an above-average acceptance, so they

Within an hour, bloggers where accusing the brand of presenting a false character.

decided to use a blog. Their advertising agency created a character (named Claire), created the blog, and Vichy sent out a press release announcing their online presence. Claire, or actually the marketing team behind the blog, started posting. Within an hour, bloggers where accusing the brand of presenting a false character. Although trying to sound like Claire, the team's advertising language had been identified and trust had been damaged. A couple of days later a French marketing magazine wrote: "Brands that try to disguise themselves as authors are no longer credible. Reading product instructions done up like a blog is silly. Vichy continues to do top-down marketing: the exact opposite of the blogger philosophy." The

blog was taken down and later relaunched in a different format<sup>16</sup>, using real people blogging about real life. Vichy apologized to the blog community.<sup>17</sup>.

So, could it be that the only accepted tone of voice - in the future - is the natural, human tone of voice? And in that case, what role should an advertising agency play?

### Contextual advertising

Where camouflaged advertising is not working, contextual advertising programs such as Google AdSense<sup>18</sup> are a huge success. Google places advertisements in web pages, after analyzing their content. This way, a website about trekking will show ads for outdoor gear, and a website about dogs shows ads for dog food. This kind of relevant advertising is perceived as far less interrupting, and more informative. AdSense advertisements are typically just short text messages, clearly indicated as being advertisements.

Google AdSense is clearly a result of micro targets and micro media. Remember that by advertising on websites, we are no longer talking about websites as we know them. These are not the typical online presence of companies, nor are they the e-business websites of which we have seen many rise and fall. These are blogs, individual or commercial, and online RSS readers that receive content from mayor sources. Contextual advertising programs such as Google's allow micro publishers to start making money from their media. For example, an advertiser buys a certain amount of clicks from the Google AdSense program. Google then pays a blogger for every person that clicks one of the advertiser's AdSense ads on his blog. This model completely

ignores established advertising traditions and does not involve (in most cases) an advertising agency. For now, these are 'just a few blogs', but don't forget we've already spotted a trend towards tailor-made micro content and RSS distribution of news and entertainment, in which this kind of bottom-up media start competing with top-down newspapers, radio and eventually television. Obviously, programs like this one, that make it possible for 'micro media moguls' to actually earn money with their media, are a huge incentive for micro publishers, which will result in an even more fragmented media landscape. Now, micro publishing actually pays off.

What happens when advertising agencies need to start producing campaigns that actually blend in with their context, rather than campaigns that arrest viewers because they stand out in magazines, newspaper pages and television content? This requires a completely new type of creativity, a way of working that might be compared to that of today's public relations industry.

# 5 Opportunities for Advertising and Marketing

## Monitoring the blogosphere

We've already seen that consumers are talking about brands and products. The least a company can do is listen to these conversations, treating them as a large, free focus group. In this process, advertising agencies should be a partner to their clients. Monitoring the blogosphere is a new discipline, and right now some Public Relations agencies are adding it to their services<sup>19</sup>. Not only because these conversations will end up affecting advertising effectiveness and content, but also because more and more companies will want to start incorporating micro media in their marketing plans, advertising agencies will have to enter the field of blogs, podcasts and videocasts.

July 15, 2005, Dan Entin wrote in his blog about his favorite deodorant Degree Sport stick, and the fact that he wasn't able to find it anymore in the stores he used to visit<sup>20</sup>. After some upset words, Dan ended his post mentioning he was trying to contact Unilever in order to receive some

Unilever had been monitoring the blogosphere.

explanation. A couple of days after having posted the article in his blog, Dan received an email from Mike Fortner, marketing manager at Unilever, owner of the Degree Sport brand. Unilever had been monitoring the blogosphere, probably using a search engine. After reading Dan's post they not only provided this long-time client with ways of finding out how to find Degree Sport in Manhattan, New York (where Dan lives), but also offered to send him a complimentary case of the product as a reward for his loyalty<sup>21</sup>.

This is a perfect example of what happens in a hyper-connected market. One customer complains, somebody on the company's side reacts and wins a customer for life. This is a conversation, a clear example of brand relations enabled by micro media, without any advertising agency in between. Listening to bottom-up media will not only create this kind of bonding possibilities, it can also deliver useful insights and can give real-time feedback about products and brand reputation. Definitely an interesting area for advertising agencies to explore.

## Participating in the blogosphere

Advertising agencies should have the expertise to advise a company on its decision whether or not to participate actively in the blogosphere, in other words, whether to blog or not. We have seen in the Vichy case that blogs can be an interesting part of an advertising campaign, but only when it is done right. Blogs can do a great job in helping companies to get closer to their consumers, but running a blog demands proper preparation, as it offers consumers to actually start a dialogue with the company. Honesty and transparency are key. Not always will starting a blog be a good idea, and companies should be able to count on their advertising agencies when trying to find out whether to jump in or not. After all, this is communication. If a company wants to blog, its advertising agency should be able to execute that wish, or at least fulfill a consulting role.

### Creating company-side micro media

Why can't a bookstore produce 30 minute interviews with writers about new books and publish them as a podcast?

While blogs can make a company vulnerable because of people being able to leave comments and start a discussion, some of the other forms of new micro media are a lot safer. Anybody can start a podcast or a videocast right now, so why should a company stick to traditional forms of communication? Wouldn't a videocast be a great way for a fashion store to advertise? Why not produce a 10 minute fashion show every week, promote some products on the way (without it becoming a commercial!), and have it delivered through RSS to every interested customer? Why can't a bookstore produce 30 minute interviews with writers about new books and publish them as a podcast? A mobile phone company could start a show with a funny prankster phone call every day. Clients could subscribe to it through RSS, and download the content right onto their MP3 enabled mobile phone.

Micro media does not only enable consumers to have their own media, it also allows companies to broadcast about new products, trends, launches and product related information. This creates completely new forms of opt-in advertising. The possibilities are endless, and advertising agencies should be the ones to recommend and develop these new forms of brand/consumer interaction.

### Consulting on micro media content and advertising

As we saw earlier, a major shift in media planning is on its way. Advertising agencies, whether through their media partners or not, will need to start understanding the new hyper fragmented media landscape in order to recommend the sponsoring of relevant content. It is about the dog food producer being present in the podcast about dogs I mentioned earlier. As soon as TiVo and similar services start offering more videocasts, advertising agencies should be able to lead their clients into this new landscape of micro target groups and advising them in terms of placement or sponsoring.

### Help clients offer opt-in advertising through RSS

As of December 2005, Target started publishing the on-sale items from its weekly newspaper ads in RSS form<sup>22</sup>. This means that everybody with an RSS reader can now receive these offers directly on their computer (and soon, on their cellphones), right next to the local news and the favorite blogs. This is just one new way of a company using RSS technology to keep its customers informed. Some clients will actually want to receive opportunities, and advertising agencies should help companies fully explore and employ this new distribution channel.

### Be prepared for extremely targeted ads

Advertising agencies should prepare for extremely precise targeting of consumers. New technologies will enable advertising messages to be specifically targeted at people who find the message relevant. Think about how a company that sells diapers will be able to spot someone who has used his broadband enabled Digital Video Recorder to subscribe to a show for recent parents, bought books on Amazon.com about raising children and listens frequently to a podcast with childrens stories. This kind of information will become available, and by that time, it will be possible to send commercial messages to micro targets and ensure relevancy. Advertising agencies should then learn to understand 'last mile' marketing: producing a piece of advertising for an extremely targeted audience. This is no longer about standing out in a commercial break, as these messages will be offered to the consumer on an opt-in basis (the way Amazon recommends books and like TiVo, iTunes or RSS readers recommend products), this is about knowing and understanding a micro target completely. Since a lot of expertise is needed for that job, advertising agencies will be able to profit from it. It might even lead to advertising agencies specializing in certain targets, or have specialized groups within their agencies.

Advertising agencies should then learn to understand 'last mile' marketing

### Opportunities for agency intranets and websites

Recent technological developments also offer new possibilities for agencies intranets. Being in the communication business, advertising agencies should play a pioneer role in adapting the new virtues of the social, conversation-enabling Internet.

Large advertising agencies could profit from private (dark) blogs on their intranet, the way tech companies are already doing. Having key people within the company blog about their knowledge and recent findings distributes knowledge and creates groups (some of them are probably already sending group emails). Users within the company could subscribe to RSS enabled content offered by a central department of information as well as the different blogs from key people within the organization. Not only plain news could be delivered, also the latest campaigns from inside and outside the company, new photographers, stories, ideas, anything. And with everybody being able to comment on everything, this would generate a cross-office conversation and a constant stream of inspiration and feedback. An interesting service could be offered to clients as well, giving them access to (part of) the intranet content or creating special RSS feeds meeting their interests.

Social bookmarking applications such as IBM's Dogear, allow the creation of giant pools of interesting content. Users within the advertising agency add interesting websites to their 'favorites', but instead of each user using a web browser to save these web pages, an Internet tool is used to keep track of what users find interesting. Web pages marked 'interesting' by various people can be brought to the attention of others, this way creating an enormous database of interesting content, and a great tool for distributing knowledge in areas such as marketing, creative, photography planning, etcetera. Top content could again be delivered through RSS.

Finally, ad agencies could benefit from having corporate weblogs to communicate with the

outside world. If the ad business is about communication, a static website, which many agencies have right now, is just not good enough. A blog demands constant updating and offers a very 'alive' and up to date experience, an important asset in a branch that proclaims to be on the cutting edge of communication. A good example is Wieden+Kennedy London's weblog *Welcome To Optimism*<sup>23</sup>.

## Notes

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15. Doc Searls in The Cluetrain Manifesto
16. Relaunched Vichy blog can be found at <http://www.journaldemapeau.fr/blog/index.php>
17. Naked Conversations Blog, Shel Israel. Post can be found at [http://redcouch.typepad.com/weblog/2005/06/case\\_study\\_the\\_.html](http://redcouch.typepad.com/weblog/2005/06/case_study_the_.html)
18. The website for Google AdSense can be found at <https://www.google.com/adsense/>
19. For example, New York based PR firm Cooperkatz has made blogs its main focus. Website at [www.cooperkatz.com](http://www.cooperkatz.com).
20. Dan Entin's original post in his blog Two Percent Nation can be found at [http://danentin.typepad.com/two\\_percent\\_nation/2005/07/degree\\_sport\\_wh.html](http://danentin.typepad.com/two_percent_nation/2005/07/degree_sport_wh.html)
21. Dan Entin also posted about Unilevers response, this post can be found at [http://danentin.typepad.com/two\\_percent\\_nation/2005/08/degree\\_sport\\_up\\_1.html](http://danentin.typepad.com/two_percent_nation/2005/08/degree_sport_up_1.html)
22. The URL for Target's RSS feed is: <http://sites.target.com/site/en/spot/rss/weeklyad.rss>
23. Wieden+Kennedy London's weblog can be found at: [http://wklondon.typepad.com/welcome\\_to\\_optimism/](http://wklondon.typepad.com/welcome_to_optimism/)

## About the author

Paul Beelen was born in The Netherlands. He has been part of creative departments at various advertising agencies, including Lowe, BBDO and Leo Burnett, in The Netherlands, Switzerland, the Caribbean and Chile. Currently, he holds a position as creative director at El Cielo Agulla & Baccetti Santiago, Chile.

Paul maintains a weblog about technologies' influence on advertising, marketing and media, which can be found at [www.paulbeelen.com](http://www.paulbeelen.com).

In 2005, together with Damir Colak, Paul co-founded **Rezzibo.com**, an online RSS reader in spanish.

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