

# **TRADITIONAL COMMUNICATIONS**

Transcript

# Traditional Communications

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# **LESSON 1: FORMULATING A MARKETING STRATEGY**

## Embed Your Company's Purpose

So let's talk about purpose, first of all. Purpose is something that's really come to the fore in marketing in the last few years. And it's where we start thinking about our business mission, our vision and our values. Take insurance, for example. What is the core purpose of insurance? Well, insurance is essentially a promise. It's a promise that if something goes wrong, you, as an insurer, will put it right. And there has been a time and there still are some companies that are really not thinking about that general purpose behind the industry. And that's why insurance generally is one of the least trusted industries globally. If you look at something like the consumer trust barometer, which is worth looking up online, you'll see that banks and insurers are way down the bottom, whereas a lot of the digital businesses and the new companies are up the top. Because they're sticking to their purpose. Think about Google's original purpose, don't be evil. Now you may...there's a lot of questions and a lot of debate around whether they're still sticking with that purpose. The amount of data gathering they're doing, the fact they have moved to Alphabet, and Alphabet haven't carried on that same purpose. But this then splits down into your mission, your vision and your values. And sometimes when we work in a business we may think that these are just wishy-washy statements, but actually they're core to pulling everybody together in a business, so that they're striving to go towards the same goal.

And, as the slide says, traditional communications originate from an organization's mission, vision and values and they are all there to support it. They're there to help the consumer understand what those three things are that your business is doing. So once you understand your company's purpose, the key thing is actually embedding it and what we're talking about here is embedding it within the strategy, within the business objectives and the business plan. And why is this key? We need to think in terms of time.

Okay, there's a lot of companies around who focus very much on short-term goals. But I like to compare this to the analogy of the boiling frog. I'm sure you've heard of this analogy before. But, essentially, if you want to cook a frog, if you boil a pan of water and then try to put the frog in, it will jump out straight away. It recognizes that it's about to boil. But if you put it in a pan of lukewarm water and slowly raise the temperature, the frog will happily sit in there and will eventually cook. The pan of lukewarm water is how I would compare companies who focus purely on the short-term and aren't really thinking about the medium and long-term. Because with medium and long-term, obviously, come different consumer trends and, again, the classic example that a lot of people will have used before, is Blockbuster.

Blockbuster focused on the short-term, weren't really thinking about their purpose, and what they stood for. Otherwise, they may have recognized the opportunities before it was too late, coming down the line. Another example in the UK, HSBC around the early 2000s, brought in a lot of students because they offered a student rail card. It gave students discounts on rail travel across the UK. Very important, quite expensive otherwise. Those students now are some of the most valuable customers HSBC have. But they stopped doing it and you can see if you look at the profile of customer age within HSBC UK, there's a big spike around the 30-to-40-year-olds, but there's a lot lower coming through. And now HSBC are advertising offering £200, so roughly, what \$300, for new customers to join the bank. That's a far greater expense than simply paying for a student rail card.

## Understand Your Value Proposition

So moving on from purpose, the next thing and that's something that's very close to my heart is understanding your value proposition. And clearly defining a differentiated value proposition. Now, how differentiated do you want to be? It may be that within your market, it's good enough just to have a "me too" proposition, but if you're doing that, you tend to be thinking in the short-term. And again, you think about the previous slide, we need to think in terms of time. So a value proposition that focuses on the short-term will get you some quick wins, but is not going to see you succeed overall. So you need to develop tools that will help you design, test and build your own value proposition. And it's this idea about creating compelling products. That is what's going to get you consumers – if it's a "me too" product, then you're not going to be able to charge a premium for it, unless you've got a really strong brand. But brand is part of your value proposition. It's not just thinking purely about the products. It's all the elements that define what your core offering is to your customer.

So as an example of a value proposition, let's think about Amazon. Amazon's core value proposition is delivering the widest range of products to your door in the fastest time at the lowest cost. Think about all the examples of this. I'm sure you will, if you used Amazon or come across it. The speed at which they changed is incredible, moving from offering things like Amazon Prime, so a subscription for faster delivery.

And now we've got Amazon Prime Now in the US and in the UK. So as a UK customer, when Prime Now launched, I had to try it out. And the interesting thing is it sets completely new expectations for every other brand I've dealt with around being able to deliver things quickly. The fact that I can be sitting on my sofa thinking I quite fancy watching Lord of The Rings, or playing a new game, or I want to read this book, but I want the physical version. I could go and download it from somewhere. But knowing that Amazon can deliver it in two hours, I mean, that's incredible. And they're building that value proposition even further with the launch of things like Alexa, Amazon Echo, the Amazon Dash, moving into drone delivery. All of these new propositions that they're building, they balance, they fit in with this core tenet, this core value proposition they have, to deliver the widest range of products, A to Z, the fastest time, at the lowest cost.

## The Scope of Traditional Communications

So let's step back and think about the scope of traditional communications. What do traditional communications encompass? Well, essentially it's all internal and external communication activities. Everything. Every time you talk with an employee or a customer or a stakeholder, it's everything. Any communication, any one-way or two-way conversation, fits into this category. So employees, let's take this, for example, internal communications. The media. PR is so important, having good relations with the media, getting your brand name out there and having interesting content. Customers, as I've said before, customers are the heart and soul of your business. If you're not communicating with your customers, your brand tends to fall behind. Again insurance is a really interesting example of this. Typically, insurance companies may communicate twice with customers in a year. Once when they send out their new policy pack and then towards the end of the year when they sent out a renew. Now that's not really having communications planned, because there's a vast period in the middle where they don't even exist and they're not even reminding their customer of what value they're providing in their life. And also stakeholders, whether it's people that own shares in your business, key stakeholders in your business, there needs to be constant communication with them.

So let's talk about the scope of traditional communications and what do traditional communications actually encompass, in terms of the channels. Number one, the granddad of them all, television. And

television spend is in decline compared to digital, but it still remains one of the key ways in which brands want to target and communicate with consumers in an entertaining and informing manner. Ensuring that their brand is remembered by the key audiences that they're targeting. And it's amazing still how much money brands will spend on television campaigns. As a recent example at my previous role at Direct Line Group, Direct Line spent over £40 million on a new brand advertising campaign involving Harvey Keitel, where we resurrected his character as Winston Wolfe, which you may remember from the cult movie Pulp Fiction.

Second is radio and radio's growing. And it's a really interesting challenge, because you don't have the visual elements to rely on. It's all about tone of voice, it's all about very clever copy. And again it's a very different skill to be able to get a consumer to remember your brand via radio than it is via television. Outdoor. Outdoor is another example of a channel like television where I was, for example, with Apple using Shazam. Well, we're seeing integration of digital. We're seeing much more interactive digital outdoor marketing boards. Cinema, essentially big screen advertising. And moving through to some other ones you may not necessarily think about. If your product is sold in a store or if the brand's own stores point of sale becomes a huge part.

Another example from the UK is the famous brand Marks & Spencer. Now HSBC underwrites Marks & Spencer insurance, and what we wanted to do was advertise the insurance products at point of sale within the Marks & Spencer stores. M&S understand their business so well and there's no point advertising something there, which they don't think customers are going to pay attention to, because that thing that earned them the most money and that customers love seeing at point of sale was Percy Pigs, which is a type of sweet that they sell, very famous sweets. And so, as much as we wanted to talk to consumers at that point of sale, that key interaction with the brand, M&S know their customer better and understand the business better.

And let's also talk about direct mail. Just think about all those pieces of paper that come through your door. It's a real skill to be able to create something that a consumer will open and digest. And we have seen a lot of spend move away from this very traditional channel to email and to other direct digital channels. And finally, brochures. Brochure is still important. Some people love flicking through the brochure relaxing and seeing what your products are. What products are available. It's still a key method of communication.

It's also worth thinking about external corporate communication activities. Well, this can be broken down into three areas. Number one is your stakeholders. So, suppliers, etc. Number two, investors and the third is customers. And again corporate communications can use a lot of traditional channels whether it's broadcast, whether it's print, whether it's outdoor, but there are some other new channels that come into play, thinking about annual reports. Businesses spend a lot of time creating annual reports and they do get read. And, again, it's another opportunity to really get across what your brand stands for, what your purpose is and actually go into much more detail than you can in other channels.

Conferences. Look at the number of people who want to be involved in conferences that Apple do or Google or a number of the new digital brands – or gaming companies, for example. There are people that will queue up, there are people that will login just to see, essentially, their business heroes talking. And this is one of the... Companies that do conferences that get their customers involved really build up a strong relationship with those customers. These people that attend are really, really brand loyal. Now, we've focused a lot on external comms but it's also important to think about internal communications. It's something that quite often gets overlooked as we think about our customers. But getting your message across internally has probably never been more important than it is today. If you want your best people staying with your business, then internal comms and getting across

your successes, helping them understand what your brand stands for and what everyone is working towards is a huge part of retaining key members of staff. And there are a number of traditional channels again that brands can use but they blur, as we've talked about with external communication channels, with digital.

So things like message boards and notice boards. We may have them around our offices, but a lot of these are moving online. The corporate internet is moving from becoming this static piece of content to actually a lot of brands encouraging their staff to write content and engage through the internet. Internal email notifications. It's another way of giving your brand a voice and one of the key things is having internal brand guardians. A problem is that anyone can send an email out, internally, but is it actually reflecting what your brand stands for? Are they using the correct tone of voice? And as marketers, it's a difficult line to thread between being a very aggressive brand place rather than helping your colleagues understand why they need to talk in a certain way. Because you need to protect how much you've invested in your brand and ensure that there is consistency, both external and internal.

## **Employ an Omni-Channel Approach**

So previously, I've been talking about very traditional communication channels. But what I want to say now is, obviously, there's been a rise in new channels. And we're moving away from a multi-channel approach to an omni-channel approach. Now, what do I mean by that? Well, in 2008 when we ran the HSBC sale, that was very much a multi-channel approach. What we didn't do... We had messages for each channel and it was integrated, but really every channel was treated as a separate channel. But the omni-channel approach relies on integrating traditional communications, traditional channels with new digital channels. And what it allows us to do, with the digital channels allow us to have two-way conversations with customers. And consumers are now expecting that they can pick up a message on one channel and easily transfer to another and see a consistency in the tone of voice, can see a consistency in how your brand presents itself. So, as an example, how can traditional communications channels support what we're doing in the new digital age?

One example we talk about is, if you're holding a traditional event, it can then be streamed online. Now, I've mentioned Google and Apple previously as examples of this, but one of the best ones to look at is a computer game developer called Blizzard. So Blizzard, if you don't know them, developed a number of popular games, probably the best known is World of Warcraft, but also, they've done Diablo, Starcraft II, and most recently, Overwatch, which is now one of the biggest first person shooters available worldwide. Blizzard every year have a conference, BlizzCon. And it's a physical conference and they stream it online. But the interesting thing is they actually charge people to watch this. And in return they give them either physical or digital gifts. It may be a new skin for a character within the game. It may be a set of unique playing cards. But Blizzard have found a way of creating this omni-channel approach to bringing the gamers closer to their brand.

Would you pay to watch an Apple event? Gamers are quite happy. They're so engaged, they will happily pay to watch an event in America while they're sitting at a PC in the UK. Another example of this, it's a very simple example, business cards. The business cards are a very traditional way of, not only communicating about who you are, but again, they should support and communicate what your brand stands for. And in the digital world, being able to capture those business cards, making them stand out. Remember, your business card represents your brand. As marketers, we shouldn't just allow someone to create random business cards. It's another key element of being a strong brand guardian and ensuring that, that little piece of card, which is still used worldwide and still very important in a lot of businesses, a lot of industries, represents what you stand for. It should really get across your core brand message.

## The Growing Power of Consumers

I now want to move on to talking about the growing power of consumers. And what I mentioned earlier was this shift from deference to reference. What is that? Well, traditionally, when we're talking about deference, we had experts. So within the industry I work in, insurance... Let's talk about insurance brokers. Insurance brokers were the experts and in some markets, still are the experts of the insurance world. And as a consumer, I would go to see a broker and ask them about the policy or ask them about which cover I need and they would make the choice for me.

But we are seeing a shift, a huge shift from deference to reference because consumers now have a stack of information available to them about products, about your brand, about your competitor brands. Why is that? Well, there's three key elements. The first is globalization. Before, a brand in the UK may not have been known in South Africa or the US or Brazil. But we're seeing global brands grow as a result of globalization. And why is globalization taking place?

Well, there are a number of developments, but the key one, obviously, is digital and the digital revolution. The fact that I can watch adverts from another market, that I can order things from other countries easily, it's no longer a case of having to wait for a catalog to come through the mail. I can go online and I can see what products are available in different markets straight away. And that is leading to increased competition. It's never been easier to set up a new business and to set up a new brand. And because all this information, all this reference material is available at our fingertips, it's easier to spot opportunities in the market or create new markets that we never knew we needed. And this all continues to grow as more as new trends become mainstream, as new technology becomes mainstream. Consumers are influenced by a number of factors. And all of this revolves around brand perception.

Now, what is brand perception? Essentially, it's what consumers think about your brand. And you can influence that through a number of ways. Now, a key one, for example, something we've spoken and something we're talking about in terms of traditional communications is advertising. Again, back to marketing 101. Talk about your brand. That helps consumers get a perception of what your brand stands for. But let's move to another side. That's something that's becoming more and more important in the marketing world. The brand experience. In the omni-channel world, thinking about every interaction a consumer has with a brand and what that experience presents and how that experience allows...how it influences what consumers think and feel about your brand.

There are a number of great examples about this. I'm going to pick, and another personal one, one of my favorite brands, which is a cycling company called Rapha. Rapha started up because they saw an opportunity in the market. Cycling was a growing market and a lot of cycling clothing was very brightly colored, you know, very tight lycra, and they saw an opportunity to bring some essentially high-end fashion into the cycling world. Now, they're one of the most successful cycling companies in the world and they have stores in the US, in Japan, in the UK, in Europe. And a key thing about Rapha is that experience. The experience that originally started online has now been translated to the stores. Their stores have become a Mecca for certain customer segments interested in cycling. And you really get a sense when you walk through the door of what the brand stands for. It focuses on the heritage of cycling. The unique nature of a man sitting on a machine. Peers. Word of mouth is still hugely important. And again, thinking about deference to reference, consumers will reference people that they know, that they talk to, their friends, their family. Word of mouth is still important, whether it's physical word of mouth or whether it's in the digital world.

And, you know, as globalization has taken place, as we've seen this digital revolution, I can now have peers across the globe who I can listen to and ask for advice and talk to about brands. Let's take one



example of the growing power of consumers and think about Montblanc. Montblanc, very traditional Swiss pen manufacturer. But what they've done very successfully is think about the changing world and they've really become a symbol of affluence and they've become an aspirational item, an aspirational accessory. If you sign a really important contract, you want to do with a biro. Or do you want to do it with a Montblanc pen? It says something about who you are. They focused in on their tradition and this elegance. And a big part of their success story, again, has been this building on their tradition. They've been manufacturing pens. So they are experts in this industry. They're experts at making beautiful items, things that have a timeless design. But they've also, because they've noticed the change in consumers, they've had the sense to expand their market. Montblanc don't just do pens. They do pens really well, but then they've moved into other accessories, other adjacent markets. So for example, you could buy a Montblanc iPhone case. You can buy a Montblanc laptop bag. There's other things, because they know consumers, consumers love their brand. And so, you know, they could just sit there, they could do what they do really well and they could focus on making pens, but actually, they've spoken with their customers. They understand their customers and they know that their customers want to show that aspirational, and they want to show other people who they are by having a very subtle Montblanc laptop bag.

So because they've been able to develop their brand, they understand their purpose, what we were talking about earlier, the purpose of their business. They've really built up recognition for the visual elements of their brand. They've built up this loyalty among their base. And there's a sense of trust. Trust is a huge thing within marketing, within brands. If you don't trust a brand, are you going to buy it? And with Montblanc, there's a trust around that the quality of the items they produce, which has allowed them to move into doing things, producing things other than pens. And all of this then flows through into increased market share. They have more followers. There are people who aspire to owning a Montblanc and will save to have one. And obviously, you know, all of this success at the end, comes down to the bottom line, increased turnover, better profits. I'm talking about brand perception. Meg Whitman who's the chairperson of Hewlett-Packard has really good quotes, "When people use your brand as a verb, that is remarkable."

But just think about that. Think of some of the success stories. We don't talk about vacuum cleaners; we talk about hoovers. But even now, that's becoming replaced. Hoover, because they've innovated less than they should have done, a lot of people now talk about Dysons. Dyson's become, to some people, a verb. Just think about all the other examples where we use brands in our daily life. I'm going to Shazam that. It's an action yet we use a brand to describe that action.

# **LESSON 2: INTEGRATING DIFFERENT ASSETS INTO A MARKETING PLAN**

## Strengths of Traditional Communications

And creating a marketing plan requires assessing a number of C's. We call it "The 5 C's." What are they? Customers, Competitors, Company resources, Collaborators, and Context.

So number one, customers. Who are your customers? Who are your target markets? And this is, when we're talking about assessing the five C's this is where you really need to sit down and actually do some analysis. So thinking about customers, how much data can you get about your customers? Competitors. Who are your competitors? There may be people out there that you don't really think...you may not think that they're a direct competitor to you, but actually your customers do, or consumers do. What resources have you got? What you don't want to do is develop a plan that stretches you beyond your resources, making it too difficult to execute or costing too much. Another key thing is, who can you collaborate with? Who can you build partnerships with? More and more brands are building strong partnerships together because they can help each other achieve mutual goals.

And finally, the context. What is the context? What is happening in the market? What is the context of this plan? What's the external context for everything that you're trying to do? So when we're building our marketing plan, one thing to think about is consumer touch points. And those consumer touch points that are represented by traditional communications. Because with traditional communications, unlike digital, they tend to be more tangible. So one example of that would be direct marketing, it's quite a tangible thing. But tangible doesn't necessarily mean touch. It's about being within the physical environment. And your marketing plan can even influence things like customer service or the retail environment.

Retail environment is so important. And it's a massive opportunity to really push what your brand stands for. You think about some of the best retailers and the experience those brands deliver through their retail environment. In the UK, think about brands like Topshop, for example, with their huge store right in the heart of London in Oxford Circus. Their marketeers are constantly planning change, which represents the brand because the brand Topshop stands for big, at the cutting edge, and presenting affordable, cutting-edge fashion to its customers. But there's the other side as well. Internal communications. It's not just your external customers, but your internal customers that are important. And one thing we've not covered so far is CSR, Corporate Social Responsibility. This used to be very much about corporate to corporate communication. Being able to stand out maybe amongst the investor community by saying, "Hey, we're doing things a little bit differently." But not today.

Today, CSR is a huge part of what a brand stands for. Going back to the Unilever example, a big part of their CSR policy was the environment, and that's now a part of their purpose. And consumers are more and more influenced around the ethics of a business. We think about things like the Nestle milk scandal. Or more recently in the UK, Byron Burger, a burger chain. They were found to be helping out with the customs' officers find people who may have been working illegally. As a result, people questioned their ethics. And we saw campaigners going into Byron restaurants, completely disrupting things, and unleashing hordes of insects within the restaurants. Not having a great effect on the brand. Similarly, some start-ups like Deliveroo and zero hour contracts has become a huge discussion point. So companies really need to think about how they're presenting ethics through their brand, through their CSR policy, and through their public relations as well. These are all key elements that need to be considered. And when we're talking about traditional marketing and traditional communications, there are a set of characteristics that we can think about.

The characteristics of traditional marketing. What are those characteristics? Well, firstly, it's a broadcast style. Remember that we're talking about...well, traditional communications, it's often a one-way conversation. Unless it's around the customer experience, unless it's a customer talking in a retail environment or talking over the telephone to a customer service agent, traditional coms is broadcast style. As much as you want to shout at the television about an ad that you hate, that brand is not going to hear you. It's a brand pushing out that message. Number two, didactic. What do we mean by this? This is where brands essentially are trying to teach customers what they stand for. So traditional communications, again, because it's not a conversation, it can sometimes come across as very adult-to-child. It may not feel like a friend talking to you. And, although we've been talking about deference to reference, clearly becoming one of my favorite phrases now, actually a lot of traditional communications can sometimes come across as being very deferential. They want consumers to be deferential. It's because it's a one-way conversation. We're telling you what you should be doing.

Traditional comms are very features focused. You think about a television ad for a car, for example. Often, it'll be around the lifestyle they want... You know, what it feels like to drive that car. But they will talk about some of the features. Particularly if they are key points of differentiation. Or it's around a message. You know, what does Peugeot, what does Audi want you to feel? That's the message. But, again, it's broadcast. They're generalized. So, as technology changes, we are beginning to see the point where we can...where traditional communications channels like television start targeting different segments, different audiences, with a different television advert. But, on the whole, these are generalized. You can't really target radio beyond picking a station that you hope your consumer target audience listen to. And it's a general message. This is sometimes difficult when you have a brand that is trying to be different things to different audiences. This is a challenge many banks face. Because banks, when they're doing a television advert, they may have everyone from someone who owns accounts or checking accounts or credit card with them, right through to a business owner or a chairman of a FTSE 100 or a NASDAQ business. And that brand has to speak to both of those people. And finally, traditional communications rely on repetition.

So, repeating a message again and again hoping that it will influence the customer, and they will recall that brand at a key moment. So it's important to think when you're building your marketing plan about what key message that is, and how easy it is to repeat. You can't have something massively long. Consumers won't remember. It has to be short and simple in order to be able to...for that repetition to work. And there's some real strengths around traditional communications channels.

Let's think about the first one. It's this ability to reach a mass audience. And compared to digital, digital can be quite focused. You know, digital relies on massive data to target in a specific message to a specific person. We're talking about broadcast here. We can reach huge audiences. You think about the number of people that may watch a very popular television show or drive on a certain road during rush hour every day, and you have a huge outdoor poster. You can reach big audiences. And a good campaign will drive awareness of that brand. Thirdly, traditional coms have their proven track record. There's a reason why people still use these channels. Because they work. Now, you know, some...you may see a cost-per-acquisition quite high in some channels. But that's not necessarily the channel not working. That may just be down to, actually, the creative approach you've taken. And it's important to test approaches in each channel. But understand the reason that traditional communication is still used by businesses worldwide is because of this proven track record. Also, there are experienced staff available.

Think again about business resourcing, and we'll come on that into the next section, but there have been so many people involved in building really successful television campaigns or successful direct marketing campaigns. These skills are widely available. And traditional coms can help achieve short-term results. If you have a really successful radio campaign or television advert, you can suddenly see

the change in consumer behavior. You can see people buying your product. And as I mentioned earlier, traditional coms are tangible. Whether it's that piece of direct mail that drops through your door, whether it's the retail experience, whether it's the business card, whether it's the annual report. These are things that we can touch, and we can experience in the physical environment with our eyes, with our hands, and with our ears.

Traditional communications also really align with company objectives, and they help contribute to our wider business goals. Because I mean, first of all, they help increase sales. If you have really good campaigns using traditional media, traditional communications, you see increased sales. And you improve your brand reputation. I spoke previously about how Byron had been affected, or Deliveroo. You want your brand to have a strong reputation because it's a key part of the consumer purchase decision-making journey. If your brand has a bad reputation, consumers won't come near it. It also helps widen your customer base.

Again, if you're very targeted, which you can be with your digital communications, think about the broadcast element of traditional coms. They help you widen that customer base. You know, it may be that because you're using advertising on television during a very popular show, people that may not necessarily have come towards your website will suddenly learn about you. It can increase your average revenue per customer, or optimize revenues from existing customers. Remember that this is not just about talking to new business. It's about increasing your share of wallet from existing customers as well. And that share of wallet is key. You don't want the consumers just to purchase your product as a one-off and then disappear because you want to build up a relationship. And in some industries, you can question, you know, do you have a relationship with your customer? Think about yourself as a consumer. Do you really have a relationship with your insurer or your bank?

But what these organizations want to do is build that relationship, understand you. And if you communicate, if you're mutual and you're both kind of sharing goals, then that's when a share of wallet grows. And not only do traditional coms allow you to align to company objectives, but what they allow you to do is project consistent, coherent messages on an on-going basis. And that's across three areas. Management communication, marketing communication, and organizational communications. Now, we've covered marketing communications, a lot around the traditional communications. But let's think about management communication for an example. It does fit with organizational comms, but these are your executives. These are the heads of businesses talking to the rest of the staff, the rest of your colleagues. That tone of voice is critical. What you want is you want the heads of business to have character, to be individuals. But they need to stay on message because if they're not, they affect your brand. A classic example that we've always used in the UK is a chief executive, Gerald Ratner.

Gerald Ratner owned a chain of jewelry stores called Ratner's, and was called into a parliamentary committee to talk about retail. And I can't remember the exact context, but a member of parliament asked him whether he would shop at his own stores. And Gerald Ratner said on record in front of television cameras that he wouldn't buy jewelry from his stores. That chain of jewelry stores went bust within about a year afterwards. Because he didn't say...he didn't believe in his brand. And he said that in public. So management communications are critical, both internally and externally. And the same with organizational communications. As I've stated earlier in section one, being a brand guardian is a really important role within a business. Because there are so many tools now that allow individuals to openly communicate with all their other colleagues, you have to make sure that everyone understands the tone of voice and what your brand stands for. Otherwise, the message becomes muddled or, actually, it becomes even dangerous as other people start saying things. And the brand isn't necessarily understood. And that will affect how they talk to your customers.

So in this omni-channel environment, the brand consistency, both internally and externally, as I've said before, is key. It is a challenge. It is a challenge balancing it and not coming across as if you're just trying to kill off any messages, or you're trying to stop your leaders, your execs having personality. You need to allow that to shine through, but keep the consistency of the brand message. It's crucial.

## **The Consumer Decision Making Process**

Let's talk about the growing power of consumers again, and the buying cycle, the sales funnel. There are five stages to the buying cycle. Moving from awareness right through to purchase. So awareness is where consumers start thinking about, "Actually, I've heard about these brands," and they're starting to build this field, this collection of brands that operate in the area that they're interested in buying in. So if they're looking for a new car, in their heads they've got a selection of brands they know about who manufacture cars. They then start to form opinions about those brands. Those opinions are influenced by the media; by all the things I've spoken about earlier. By their peers, by the advertising they've seen. And that helps them start to consider which brands they would really want to purchase from. And they're looking at the value proposition. They start looking at the specific products. "I want a car. I want a family car. Okay, these brands don't offer that. These brands do. What do I think about these brands? How do I start considering them?" And from that, consumers will get a preference. And that preference will lead through to purchase. So although this is... we've been talking about traditional communications, when we're talking about the growing power of consumers, we really need to consider how digital channels are influencing the decision-making process. And this is an example from McKinsey.

McKinsey have really done a lot of work around thinking how this process has changed, and this idea that consumers consider a big set of brands that we talked about on the previous slide, funneling them down. It's much more interactive, and it's not necessarily a funnel. Brands can be added or removed as the journey goes on. And sometimes it feels like there's almost a moment of panic. Ultimately, there's somebody to go, "Right, I need to buy something," and that brand's only selected at the moment of purchase. It's not whittling down and whittling down. It's, actually, I've got all these things. If I'm online, I can have multiple tabs open looking at different brands constantly until I think, "That's the right one." It's not a funnel anymore. And the key thing is, after purchase, consumers build their expectations on the experience that they've had. And what's important to consider about this is that consumer doesn't pigeon-hole that expectation to that industry. We've spoken about Amazon previously. The influence Amazon has had on customer experience cannot be underestimated. Because now, when we want something delivered online, because we've tend to have really good experiences with Amazon and getting our products, our purchases, very quickly, we expect that from all brands. And now it's not really a differentiator. What it could do is, if your brand can't deliver quickly, that actually may end up being removed from the evaluation stage because that's what consumers are looking for.

So even within industries like financial services, that experience that Amazon has delivered, consumers want. Why would you wait seven days for a new credit card? And so brands like Metrobank developed functionality, so they can print the card in-branch because that's what a customer expects now, having had quick delivery from a completely different industry, from a completely different vertical. And having a great experience builds this loyalty loop. And suddenly, you're not considering other brands any more. You're going back to the same brand because you've had such a good experience. And it's really hard to break into that loop if you're a competitor if that consumer has had a great customer experience. If they've had a poor customer experience, then it's back to the start, and everyone can participate.



## **The Four Parameters of Marketing**

So thinking about traditional communications, thinking about traditional marketing, we have to talk about the four P's. And they are a basic foundation of marketing today. They've always been a part of marketing. What are the four P's? Product, Price, Place, and Promotion. So let's talk about each of these quickly. Product. Okay? What is your product? What is...how does it look? Okay? What is its quality? Think about the packaging. All the different elements of that product. The features and the benefits of that product. It's really important to think about features and benefits because that will lead you to building a product that is differentiated. The price. Price is becoming increasingly important, and in many of the industries, we're seeing a race to the bottom. But it doesn't...you don't necessarily have to be the cheapest. If your brand allows you to do so, you can charge a premium for your products.

Think about when you go to the supermarket, and you see the same product, but different brands. And some are really cheap. Maybe a supermarket-owned brand basic product for cornflakes. But then you see Kellogg's. Kellogg's can charge a premium because they say, and consumers believe and experience that it's a better quality of cornflake. And that allows them to charge that brand premium. Place. Place is no longer just about physical place. It's about being in the right place at the right time for your target customer. Whether it's the physical location of the store, but it's also about market coverage. It's about the logistics behind being able to be in the right place at the right time. And finally, promotion. And this is, again, where we focus back on the traditional communications. How you promote your product. How you promote your brand. Through advertising, through PR, through the different media channels.

## **Integrate with the Customer Journey**

What I want to talk about next is how we integrate traditional communications with the customer journey, and this is the idea of integrated marketing comms, so IMC for short. What integrated marketing comms do, it wraps communication around the customer, helping them progress through the buying process. What do we mean by this? Well, you can think in terms of channel, but when we're building a marketing plan what we really want to think about is the customer, and how we want to communicate with that customer as they go through that journey. It's not about thinking, right, let's just do a television ad, or let's just do a direct mail campaign because it's pointless. There's no objective around it. Think in terms of the customer journey, and then build your comms around that.

Why? Well, it gives you a competitive advantage, and should lead to increased sales. It should see some cost reduction and it should save some time because, again, if you're just doing communications for the sake of doing communications, there's no objective so you're spending money without necessarily creating any income, or any revenue.

And when we're talking about integrating with the customer journey, it's this idea of using marketing tactics to engage with customers at every stage of that journey. I want you to think about a typical customer journey for a product you love, or a brand you purchase from all the time. And how does that brand communicate with you at every point of that journey? And how are they using traditional communications to do that? Because at the start of a typical journey, it may be that you're experiencing their broadcast comms through a channel like media or television, but that's because that brand wants to explain to you about their core value proposition, about that product, and that will start you on your journey. And the critical thing for you to do as a marketer is to map the customer journey. And in order to do that you need to begin to know your users.

There are two ways of doing this, two types of research. There's analytical research and there's anecdotal. Anecdotal may be looking at what customers are saying on social media, or using customer feedback where people have spoken about their purchase journey, but there's also hard analytics, speaking with your colleagues who run customer insight, go and using research agencies to do some really analytical work around this. Also, if you're looking at the online journey, there are tools. You may have used them before like Google Analytics. They give you a huge breakdown and some really strong numbers around every stage. What's happening when a customer is on this page of a website, of your website? What are they doing? Are they staying there? Are they hovering over certain things?

Another example of analytical research can be...You can do analytical research in the retail environment. Eye tracking is a very common tool. Analyzing when a customer goes into a supermarket, for example, as they move along an aisle and look at shelves, where are their eyes? Where are they really? What are they focusing on when they're looking at packaging? These are very, very important detailed tools that you need to use to build up, in your mind, and stretch out what that customer journey is for your product.

Another key part of mapping a customer journey is identifying the customer pain points because these are the times when a consumer who is making that journey toward purchase can fall out. Or if they have purchased your product, what influences whether they choose your brand again? And these can be things, for example, like the differences just between different departments in your organization and how they interact with customers. Or even gaps between your organization and a collaborating or a partnership organization.

As an example of this, HSBC Bank in the UK owns a direct bank, so a branch of this model, called First Direct, and First Direct have the highest customer satisfaction levels of any bank in the UK. They're above 90%. But what First Direct don't do is their own insurance, and they discovered that customers weren't purchasing their insurance because the insurance was being provided by someone like Aviva. And there was a notable difference to consumers when they were phoned First Direct. And First Direct is famous worldwide for the quality of its operational center in Leeds. This operational center is open 365 days a year, 24 hours a day, and consumers love talking to the people there and interacting with them, but when the hand off took place between First Direct call center representative to Aviva, even though Aviva had had training, essentially, they weren't part of the First Direct family and it was a huge gap in the customer experience. The only way to resolve that would be for First Direct to actually sell the insurance themselves. The gap between channels...think about the difference where if you're researching something online and then you go and actually try and purchase it in a physical store and the difference that can be.

Apple invests a lot of time and money in trying to create this omni-channel approach so you have the same experience. It feels the same, it looks the same whether you're in store, whether you're purchasing online. Very different to a bank, for example, that may have a really clean responsive website, but then you go to the local branch and it feels tired and there's queues. It's a different experience. And even between devices. Think about the ability to purchase something on a desktop versus on a mobile, and mobile traffic is increasing dramatically. At Insure the Box, the UK insurance company I currently work at, mobile traffic is at over 70% of what we see coming into our website, so we have to be really clear. Actually, it's mobile first. But how do you create a purchase journey, and a customer journey, that works mobile first, that think mobile first?



So what we need to think about as marketers is how we create a typical customer journey for our brand. And, again, thinking about five steps within the customer journey. So, awareness...How does a customer...how does a consumer...they're not a customer yet...how does a consumer become aware of your brand? And that then leads to discovery. So how do they discover the products that your brand sells? And all the elements are that part of the journey. How they find out about the features and benefits, and the purchase. The purchase is a critical part of the customer journey. It needs to be simple, even for complex products, or big purchase decisions like a mortgage or a car. When it comes to making that purchase, it needs to be a really simple experience for the customer. Otherwise, it creates pain points. Then what's their experience around using the product?

Remember earlier, I spoke about insurance. It's a really interesting category because for most consumers they don't actually experience using insurance. You don't leave the house in the morning and think, actually if this burns down, I'm fine, I'm covered by my insurance company. The only experience you have with insurance is typically when something wrong happens, and that's why we have to fulfill the promise, and keep that promise of putting things right again. But for your brand, customers may be using your product every day. You really have to think about how that affects the customer journey, and that experience, and how that affects the perceptions of your brand, and that all leads through to loyalty. Loyalty is a key part in increasing that share of wallets. What loyalty also does is make people more aware of your brand and influences their purchase decisions in the future.

And as I've referenced before, every touch point must reflect, reinforce, and reiterate your core brand strategy. That is what a brand is there for. It talks about who you are, what you represent, and the best customer journey, the best customer experiences, you can see that brand being reflected in every step. If I go back to the example I used of Rapha, the cycle and clothing manufacturer, their brand represents quality, and they have really focused in on the customer journey. When they started, as a small online business, they knew a lot of their target market would work in London, either in the creative industry around the West End, or maybe in the city or Canary Wharf. And what they did to build an inspiring customer journey is they completely changed the delivery system and said to customers, actually we understand you, we understand that if you're going to buy something on a Friday, it's probably because you want to wear it when you go out on a ride on the weekend. So we're in London and what we'll do is we'll get staff to cycle courier your purchase to you on Friday afternoon so that you can then wear it at the weekend. You can have your stuff straight away. It's a key point in how they've really engaged with their customers and shows their understanding of their target market.

What we're talking about with in terms of typical customer touch points, is when a consumer either is aware of your brand or made aware of your brand, or interacts with your brand. So as an example, broadcast advertising. That may be the first time a consumer has been made aware of your brand. Something we've not covered yet is sponsorship. Now, when we saw the global financial crisis, sponsorship was under huge pressure because it's very hard to track what the value is, but as a key component for many brands of building brand awareness, and still a great source, a great channel, to promote your brand. Moving from awareness to interaction, where are the touch points that consumers are interacting with your brand? For example, again, direct mail. When a mail pack lands on a consumer's door, that is an interaction. So one question to ask yourself straight away is, do you believe you can create a positive interaction with your brand by doing direct mail? And if you believe you can, then how do you create the best interaction you can? Simply one to one. So if a consumer meets one of your colleagues who works in a retail environment, or speaks to them over the telephone, and what we were talking earlier about your colleagues understanding what the brand stands for. This is why it's crucial. They are the face of your brand at that time. They are the voice of your brand, and if they go against what you stand for, it gives out a confusing message. It can create a pain point.

## **Traditional and Digital Communications**

So although we're focusing on traditional channels, we need to talk...If we're talking about an omni-channel approach, we need to cover off the non-traditional channels. And if you remember the list that I discussed in the previous section, then this is a veritable explosion as we see new channels and new opportunities whether it's online marketing, offline. We've spoken about PR, but let's just think about some of the other elements. Search engine marketing. Search engine marketing is huge. Now, whether actually...And it's very easy to measure because online you get data on every interaction. And there's part of search engines where you obviously need to cover off SEO. Now we'll cover that more in detail in a different module, but it's worth considering how SEO, a search engine optimization, influences the customer journey, and how it is a part of your omni-channel approach. You need to think about it when you're building your marketing plan.

And when we're employing an omni-channel approach, I've mentioned it before, but let's zone in again on the differences between digital marketing versus traditional marketing. Remember that digital allows you to often have a two-way dialogue, and we're moving to three-way communication amongst communities, where you may have two customers interacting and the brand taking part of the conversation as well. A really interesting example of this helping within the customer journey, the sales process, was some work that Toyota did in the US with Google. And using Google Hangouts as part of the car purchase journey allowing a consumer to maybe engage with other consumers, ask their friends or family what they thought about the car and decide on the car together, but also having a Toyota representative in the conversation as well advising them as they have questions. It's interactive. It's not broadcast. Digital marketing also encourages engagement. So, again it's not broadcasted two-way where you want consumers to engage. It's content driven. And also, it's personalized and segmented, and this is critical.

This is a key difference. I've said before, you can segment to an extent within traditional marketing, or certainly above the line marketing like radio. Or if you're doing direct mail, you can really segment and the methods of print, allowing you to personalize each pack and each letter. The technology's moved on vastly, allowing you to do micro-segments in direct mail, but digital, with all the data behind it, is so much more personalized and segmented. It's open and interactive, and this is a theme that comes up again and again around digital. It is interactive, it's two-way. And digital should be honest, and it should engender trust. I say should because consumers do question things, and we have seen cases where brands haven't necessarily been honest about using sponsored content, or the media using sponsored content, and positioning it as a news article rather than being open and honest that this is, in fact, paid-for advertising. And, finally, digital allows consumers to take control because they can do self-service, and we're seeing, again, this is not reserved to specific industries. When you have a great self-service experience, that becomes the expectation across all brands. And if you can't do something by yourself that you think should be easy and simple for you to do, it's another pain point. Consumers become frustrated, and so building your self-service part of the business and that element of your proposition, is another key thing to think about in the customer journey.

## **Limitations of Traditional Communications**

So, focusing on traditional communications, let's talk about some of the challenges that exist with this form of comms. I've chosen to highlight, like, six here. The first one is the fact that traditional comms, they are constrained because they have to fit in with other people's schedules. So, for example, programmers' schedules, print schedules, geographic boundaries, there may be contractual boundaries as well. For example, the famous one within TV advertising is a lot of American personalities are quite happy to film adverts in Japan where they think they're not going to

be seen back in their home market. Obviously, that's changed now that we have the internet. There's often higher upfront costs involved. And, if you've never been involved in shooting something like a television advert, the cost of actually just filming it, and producing it in the first place can be huge, particularly, if you're going for something very high end. Sometimes they'll have a limited shelf life and that depends on the creator to an extent. What may look advanced of the time now, in two years could look very dated.

I've recently been rewatching Friends. It's been on television and you suddenly noticed, actually, no one's using a mobile. When they're asking each other questions, no one's searching on Google. So, it just shows how times change. There's huge wastage as well. You may be spending with broadcast media a lot of money but actually, you don't know necessarily whether you're hitting your target audience all the time. And there's a limitation around how much information you can deliver. Again, cost is quite high on some of the traditional communications, particularly when we're talking about this, talking about above the line channels. So, things like television, things like radio, you've got to be quick, you know. The longer an advert is, the more it's going to cost to broadcast. So, you've got to be really quick in delivery, but that also covers off things like outdoor as well. Traditionally, it's said that you know, you maybe have three seconds to get your message across.

So, you have to be really clever at your copy and what visual elements you use. And with all this information around, and with so much information available in the palm of our hands with our mobiles, it is increasingly difficult to capture consumer attention. So, let's talk again about the limitations of traditional communications. And one thing I want to focus in on here is how traditional comms forces you as a marketer to adopt a more generalized approach when talking to a mass audience. So, I've mentioned before the difficulties in creating segmented communications, particularly, again, above the line. Below the line, we're talking about direct mail, for example, it's easier, but with things like PR, things like television, things like cinema, you can segment to a certain point. There's still big audiences. And that influences how you communicate the brand message. It has to be a more general approach and the desired brand image. You know, if your brand actually represents a number of different products, if it actually spans a range of quality, then unless you're doing...you can either choose to do a piece of media about a specific product or you can talk about your overall brand. It can inform a customer about a specific product or service but then, again, you're focusing on one product that may, actually, maybe won't appeal to all the mass audience who you're talking to. And how you keep that brand front of mind.

Ultimately though, it's very hard and it is a real skill to produce something that will appeal to all customer segments. And in the previous slide, we spoke about wastage. This is where wastage takes place because if you actually just want to appeal to certain customer segments, you are spending money, putting your brand in front of some people that, actually, just will never consider it.

## **Technology and Consumer Behavior**

Another way technology has influenced consumer behavior is allowing consumers to generate their own content. So, we have seen, over the last few years, this rise of user-generated content. Think about some of the biggest sites out there, Facebook, YouTube. YouTube is the second largest search engine and it's content generated by people worldwide. YouTube, actually, don't really produce anything themselves. It's a platform. And now 80% of all online content is user-generated and it's a huge part in influencing consumer behavior and influencing purchase decisions as it allows users to feel in control.

But the thing is, we can't really control user-generated content. So, what we want to do, I mean, in the ideal world, what we need to do as marketers is find those consumers who appreciate our

brands and encourage them to generate more content that will build up trust and help other users find our brands. So, when looking at the rise of user-generated content. We've seen recent research showing amongst millennials, which is a key target market, it's a real buzzword in the marketing community, but user-generated content is 20% more influential when it comes to purchasing. I can't emphasize enough this move from deference to reference. And we're seeing it in millennials in this generation, people are not only trusting their friends, they're trusting people online. They may never have met them and, actually, you could argue that there is a slight move back to deference by seeking out online experts, but it's the decision-making journey has changed, it's changed for good. People are taking in so many different sources of information. Another thing about user-generated content is it's 35% more memorable.

So, as marketers, one of our jobs is to produce memorable content but actually, we now have our customers producing that for us, and in many cases, it's seen among target demographics as being more memorable. So, one thing to consider is how we as marketers can help consumers. Do you deny them access to your assets or do you help them find the right thing so when they are creating user-generated content, it truly reflects your brand image, your brand tone of voice? And 50% is more trusted than other types of media and information. We may have brand spokespeople but, ultimately, again amongst different generations, people seeking out user-generated content, they don't feel that it's being influenced by people, by media, by the brands themselves. It's seen as honest and transparent.

So, let's focus in on this idea of trustworthiness and these two charts deal with trustworthiness among millennials. And what we can see is user generated content delivers significantly more trust. So, whether it's talking with friends and family at the top level, but even at the lowest, blogs, and I mentioned Reddit before and that's an outlier, in terms of blogs and bulletin boards, etc., but it's still trusted 48% compared to traditional media. Look at what's at the bottom, banner adverts, 19% trustworthiness. So, when millennials are reading expert-generated reviews, but again stepping back thinking about how this influences their decision-making journey and influences the customer journey, it's about having multiple reference points. This is not about listening to a mother or father and then doing what they tell you. They are just one point.

But when they're making their decision that view is given a higher...they pay more attention to that view than something else they've seen, say, on a banner. And, again, technology is changing how consumers behave and it's changing how they make these decisions. There are four ways we're talking about here. So, the first one is content grazing. What is content grazing? Well, this is when we're maybe doing two different things at once. The classic example, sitting down, watching a television show whilst checking your email on the phone. The second thing, investigative spiderwebbing.

This is an interesting one. Again, this is a multichannel approach where I may be watching a movie so, for example, I'm watching Batman and then I want to understand what else has Christian Bale been in. So, whilst the movie is playing, I'm searching that on my tablet or my mobile device. Or, you know, I've seen a pair of shoes that I really like during a television advert and I get to search. I find more details about that on my device while I'm still consuming media. The third is a quantum journey. So, this is where technology allows us to jump around. So it may start with my investigative spiderwebbing. I've seen that pair of shoes advertised, I'm looking for more information on them, but then the next day I'm in the office and, actually, I decided I wanted to buy them then. I've still got the page up on my mobile but because I'm sat at my desk I actually end up doing the purchase on my desktop. So the customer journey is not linear. We jump around all the time because technology allows us to do so. And this is what Apple and Google, in their operating systems, are really trying to

encourage and try to make it even easier for us with technology like Handoff to switch from one device to another.

And the final one is social spiderwebbing. And this is where we might share our purchase decisions with our friends and it's the least common of all of these examples. So, for example, if I have just purchased something, sharing that on Facebook, sharing that on Twitter. It's not a common activity but we do see some people doing it and it can influence other people's decisions, particularly, if someone has a large following.

# **LESSON 3: CONDUCTING RESEARCH AND RESOURCE ANALYSIS**

## **Data Analytics**

Now a key part of research is data analytics and what we need to do as marketers now is integrate our data analytics. Before, we may have just had a small team sitting at the side that are looking at numbers, but today we, as marketers, we need to think scientifically and we need to think and understand data. Because data can highlight a number of things. It can highlight customer behaviors. It can highlight their motivations, their habits and their preferences. As an example, at HSBC I was very lucky to work with an incredibly intelligent, a very creative data scientist and as a bank which ran current accounts and checking accounts, we obviously understand what people are spending their money on. It was interesting to see the patterns and what this data scientist discovered that actually just looking at spending behavior, he could predict pretty accurately who may get divorced over the next 12 months simply because of what they were spending their money on and where they were spending their money. That's what data can deliver. Another key element of data analytics is actually using it to research your audience and plan your media spend. This has now become a science and we need to understand as marketers where we're going to get the best bang for our buck and there's data out there now that allows us to do that.

Now many large organizations will work with a media agency, such as MediaCom, for example. That's a Direct Line group and they will have experts who help plan this out, help you understand where to get the most value for your money. If you're doing it in-house though, it's really important that you have access to the best tools and the best tools that allow you to measure your audience and understand who is watching what and all the demographics and segmentation behind it. Two examples, for example, are comScore and Nielsen.

## **Market Research**

So now it's time to talk about market research and what does market research do? It allows you to understand your target audience. We've seen in recent reports that 55% of marketers did not feel confident that their organization understands the consumer journey. Research is a really important tool and resource into helping you, as a marketer, understand your customers.

But then importantly, it gives you the weaponry to explain how customers behave and how consumers view your brand to the rest of the organization. And rather than just being hearsay or people think that this is what marketing believe, actually, you can back it up with hard facts.

And there are many different methods available now for conducting market research and allowing you to understand your target audience. And these tools, and these methods, not only allow you to collect data but there's the important element of analyzing the data.

I've mentioned before about resourcing and outsourcing, and again, this is something that either you can choose to do within your marketing department, you yourself can choose to do, or you may want to outsource to a specialist research organization. And depending on the complexity of the methodology you're using, that may influence whether you want to outsource it or do it internally.

Another shift we're seeing is a shift from "How do you think you will behave?" to "I know how you behaved?" So rather than doing just focus groups, for example, when you may ask a consumer, "Okay, what do you think you would do next? Or do you think you would buy this product?"

We now have methods that allow us to observe exactly what consumers are doing. Earlier I mentioned eye tracking, for example, so understanding how someone walks through a retail environment or walks through a supermarket and is observing products on the shelf and how long



they spend looking at parts of a packaging or a certain shelf. It's a completely different tool to then asking them in a survey or group, "What do you think you will do?"

There's also tools like virtual shopping, online collaboration tools, so pulling together communities of consumers, communities of customers, and asking them questions and doing research. More and more brands are doing this. And often, they're doing it with people who are real brand advocates because those people are really helping inform the key parts of the customer journey that they may have missed out or the key pain points because these are people that are really paying attention about it. They feel really strongly about the brand and want the brand to succeed.

Brands are also using social media to conduct market research. And as social media continues to evolve and launch new tools, we're seeing more and more ways that we as marketers can collect information and observe how people are behaving. One thing that market research allows us to do as well is curate the optimal media mix.

So again, what I was talking earlier about the value of data in deciding where you spend your marketing dollars, doing marketing research, understanding what media your consumers are consuming, is a key point to then to optimizing your media mix within your marketing plan.

And what research also allows you to do is step away from what we think as marketers the ideal mix is to actually find, in fact, about what the ideal mix is, not just in general, but for your target audience and for your target segments. When it says here that, you know...marketers think that actually we should be spending 14% on traditional marketing.

Is that right? That's what we think on the whole. But what we need to do, what you need to do for your brand, for your business, is think about your target market, conduct research, and that will lead you to understanding actually, should that be 14%? Should that be nothing?

Or should it be a far larger spend? It's very easy as a marketer to think that we know all the answers based on previous experience. But the world continues to change and because the world continues to change, we need to keep on conducting research and keep on top of how consumers are behaving.

Just because one campaign works by having a certain marketing mix doesn't necessarily mean your next campaign in six months will behave the same way because things change and consumers change and channels change. With market research, there are two different main types of research that we can conduct.

The first one is quantitative and there are four basic types of quantitative research. The first, the most basic element of quantitative research is a simple survey. This is something we're all used to. We've probably all carried out at least one survey in our past or filled out a survey, asking questions of customers.

Maybe it's on a scale of 1 to 10, maybe it's tick boxes. Quantitative research is less about free-form answers. Once we carried out a survey, we can start looking into the numbers, into the data, and observing patterns.

And this is the correlational aspects of quantitative research. And once we've seen those patterns, we may want to start comparing A and B and asking deeper questions to create those comparisons and this is causal-comparative research.



And as this leads round, we then move into more experimental where we have, by looking at the data, by comparing A versus B, by seeing these patterns, actually, we develop new hypotheses which leads us to ask more questions and start new surveys.

Now compare that approach with qualitative research. And qualitative research is the quest for an in-depth exploration of what people do, think, or feel, and it really allows you to get some valuable insights into consumer behavior.

And these are some examples of different methods of quantitative research, things like online forums. So again, either you as a company curating a forum, using a research agency, if you have forums in place already, or using a popular online forum and gathering your research from that, what are consumers talking about?

How do they feel? Whether you're assessing the questions themselves or you're just observing conversations and gathering the information from those conversations. Having a web survey chat, so it may be that you've asked a survey and on the back of it, you've said to a customer, "Well, actually, would you like to talk further about it?"

Because it allows you to probe into their answers into much more detail. And in-depth interviews. In-depth interviews are something that a lot of companies use and actually can really lead to some key insights. At HSBC, we developed a proposition development process called Insights Grow. And the starting point is the "I," the insights, I to G, Insights Grow.

And that revolved a lot around doing in-depth interviews and one of the most successful products to come out of this was a proposition called HSBC Passport, which allowed customers who are new to the UK to get banking facilities and that product only evolved and came into existence because in the in-depth interviews. We really got into the detail around the difficulties of opening up a bank account.

And we got some superb insights into what it was like as a person new to a country who maybe didn't have different forms of identification that we traditionally needed as a bank, may not even have an address. And actually, one thing they prefer to do is open it up while they're still in their home country before they move over, it gives them a sense of security.

Without doing those interviews, we would not have learned this. Market research also allows us to understand the increasing fragmentation of audiences and actually, this is about a couple of concepts, because it's not just about the fragmentation of consumers and, you know, micro-segmentation.

But as marketers, if we don't do our job effectively, what can happen is that we're thinking about all these different channels and if we don't take an omni-channel approach and we've not built a marketing plan that is adhered to, suddenly, we're using all these different tools and we may not be following a consistent objective.

And what happens is we start to bombard people with messages and that's not effective. That's when customers just feel like they're under attack from a brand. Think about some of the email marketing you receive, for example. There may be some businesses that actually feels really...it feels relevant because they have a plan. They've planned carefully for when they will send that piece of communication to you.

There are others that you may feel...actually I get something from them every day and I don't want to see all of this information. You're being bombarded and will you do business with that brand?

Because the problem is if we follow a fragmented approach as marketers, we don't give a consistent experience across channels and as I've mentioned before, consistency of experience is key in ensuring that the purchase...that customers purchase your products and remain loyal.

And we're seeing that 94% of customers discontinue communication with a company because of irrelevant messages. It has to be the right message at the right time. Segmentation allows you to do that but you also need data and you need to research when is the right time to send that message.

One example of the increased fragmentation of audience is how we consume the news and let's focus in on this. So, TV is dominant. We know that 78% of Americans watch local news TV, but also the internet is growing and 61% check the news online.

Think about the news sources you use and how often you check them. But what has been a huge shift and it's really influencing how news is presented and consumed is social media.

And news now happens in real time. We don't have to wait after an event to see what has happened. There will be people there on the scene broadcasting things. And think about how news channels, how news agencies have changed, how they present the news.

It's much more about being in the moments, about live streaming, about playing out every second of the story as it develops, rather than being packaged up into a piece of content that is delivered later. The final part to consider about market research is actually understanding your competitors. We can't live in a bubble.

We have to be aware of what our competitor is doing because the whole point is trying to beat them. I remember famously the Chief Marketing Officer at Barclays standing up in front of a marketing conference and he was talking about his daily routine and the first thing he said was, "Right, when I wake up in the morning, the first thing I do is I kiss my wife. The second thing I do is decide who I'm going to beat today because that is my job. As a marketer, I want to be the very best, I want to be the very best for our customers, I want them to buy my products, and therefore I have to understand what our competitors are doing. Have they suddenly changed their product? Have they changed their pricing? Have they changed their brands? Have they changed their advertising?"

These are things as marketers we need to understand. I know many sources out there that, again, we can outsource this element of research to, like Nielsen or like ComScore. But also sometimes it's best as a marketer to understand our competitors by sitting there and thinking from both a marketer's perspective, of your marketing lens and a consumer lens and doing that desk research and going through websites and really zoning in on what are they doing?

And if they're successful, why are they successful and what can we learn from that? And if they're not successful, what can we avoid doing as a business?

## **Communications Planning**

The next thing I want to discuss is Communications Planning as part of resourcing and researching and there are five key stages to this. The first is setting your mission and this is critical. What are you actually trying to achieve with your campaign? It may be around sales goals. You may be trying to sell a certain amount of product, a certain volume. But similarly, your campaign may be more about building brand awareness, and that's a very different objective, but it needs to be clearly articulated. You can't do anything around planning communications, unless we have a well-written and articulated mission. The second is money. Actually, how much do we need to budget for this? What

do we need? You know, we need to consider things like, where are we in the product life cycle? How often do we want to advertise? What is the competition doing at the moment? Is this a good time to be spending our marketing dollars? Or actually, there a lot of people out there talking at a certain channel? Is it gonna be really expensive to put a message out there, but actually it's really cluttered?

And moving from money, there are another two M's, the Message and the Media, and these go hand in hand. What message do you want to deliver, and what media is best to do it with? So whether it's the actual promotion, you know. Are you giving a discount, which does feed on from the money element, but media in terms of which channel, which frequency? What's gonna have the most impact? What are the big media trends at the moment? What's the media reach? And finally, it's measurements. As I've said before, marketing is evolving to become more and more scientific every day. And what we need to do, as marketers, is understand how effective our message has been through the various media we've chosen to employ, and then we can compare that to our original objective. We can measure how people have been consuming our media and the impact it's had and, therefore, see the impact on sales, or it may be measuring something like brand awareness or brand perception.

These are still things that can be measured, whether it's through surveys or through different types of research, as I've mentioned previously.

## **Communication Objectives**

When we're setting communication objectives, we really have to think about how they drive a certain number of things, like selection, channels, the targets, our budget and measurement. And what are those communication objectives? Is it, as I've said earlier, generating sales, or is it increasing awareness? Is it sharing knowledge? Education is a really important part of communications. If consumers don't understand how to use your product or what your product does, they may not have any interest. So, sharing knowledge, imparting knowledge to consumers can be a very important objective. Is it about projecting a brand image, so trying to change the way consumers perceive your brand or clarifying what your brand image is or stimulating needs and desires? So, actually, consumers may not think that they need to purchase your product, but by delivering a really strong campaign that focuses in on this, suddenly, it becomes a desirable object that they can't live without. And, as I've said before, one of the key elements of producing communication objectives is creating and delivering a clear brief. And this comes down to delivering a strong, creative brief, and there is a skill to this.

All of the work we have been doing previously around the strategy, around understanding our customers, how do you boil that down into a robust, creative brief? Because, as a marketer, this is what you are handing over to maybe colleagues internally or to an agency that you're working with and they are using as the basis for building the communications themselves and for executing it. And if it's not clear, if it's muddled, if there's too much detail, then the creative isn't going to be on point, and it's gonna take more time to deliver something, because there's more questions. And your brief should focus in on, who is the core target audience? What are the key elements of the product that you want to communicate or the key elements of the brand? It doesn't need to be long, but it does need to be concise, because we know the best campaigns are built from strong customer insights and ambitious targets.

Think about Nike, for example. They have really strong customer insight. They really understand why their target audience wants to exercise and the difficulty, sometimes, of getting up and doing something. Nike wants to motivate people, and this whole brand slogan of "Just Do It" actually, don't think about it, just go and do it and do the best that you can. That insight has led to massively

successful marketing campaigns across a range of sports, not just running. Think about the stuff they've executed within cycling, for example, or skateboarding or snow sports. The Nike brand is across all sporting minds now and all categories, and within each one, they understand. They have the overarching insight, but they have specific insights to those sports and to the needs of those consumers, which helps them to deliver superb creative.

# **LESSON 4: EXECUTING AND EVALUATING A MARKETING CAMPAIGN**

## **Creative Planning**

Firstly, let's talk about creative planning, and again, this topic comes up with traditional communications about how inflexible it can be, because often it's calendar-bound. With a traditional marketing company, or using traditional communications, there's often a fixed start point. It requires, if we need to book media, then it requires an upfront commitment to a schedule, and that schedule may revolve around other elements. It may, if you want to book with a popular...advert during a slot of a popular television show, you're dictated to about when that show runs. And there's often a fixed endpoint as well. These things that...traditional marketing is often very time-bound, and that means it can be perceived to be very inflexible, or often is very inflexible.

And in creative planning we have to consider the influence of the media owner. They're the ones who can dictate a number of things. They can dictate their schedules, and dictate what media is available when. Sometimes they can ask for huge commitment up front, in terms of financial commitment. And they can also dictate how long your campaign lasts. You may want to run a campaign for two months, but it may be more financially beneficial for the publisher to have you run yours for one month and a competitor, or another brand from a completely different vertical run a campaign. And unfortunately there's not much, typically, that we can do though about that as brands. A lot of the time, with traditional communications, the publisher dictates what happens.

Within creative planning, we then need to consider creative strategy and message design because this is key in dictating the quality of the results. Now, you may be able to recall some really bad campaigns you've seen, some really bad creative examples. Now, on one hand, what's interesting you can actually...we can actually recall those, but we probably won't buy those products. The worst thing is to have a mediocre campaign, because unlike a bad campaign where we can recall the brands, mediocre ones just disappear into the background. And that's because it's a mediocre idea behind it. It's a mediocre creative execution. It's not appealing to us.

A marketer has delivered a really strong brief that allows a creative agency or another internal department to get to grips with the message with the brand, and deliver a thing of beauty that will lead people to purchasing that product, or lead them to reconsidering that brand in a whole new light. And there are key elements of a creative strategy. The idea...what's the idea behind this campaign? Copy. Copy's something that's often overlooked, but to write succinct copy that a consumer can consume very easily and understand and immediately gets...delivers the message, is a key skill.

And finally, the visuals. We spend a lot of time as marketers if we work in brand, tracing a brand look and feel. And that has to come across, and has to be augmented by other visuals. And traditional media allows you, particularly above the line, again media that revolves around visual elements, such as TV, such as cinema, such as outdoor. The best creative really pops and is eye-catching and is memorable.

## **Media Strategy**

Following on from creative planning is planning your media strategy and how you position your message. So we've spent time creating some wonderful creative, now how...where do we put that or positioning it? So media planning is preparing for when and where that message will be seen and determines how much of an audience you reach and the frequency. So again, earlier I mentioned about some consumers feeling bombarded by brands. When creating a media strategy, we're aiming to put our creative in front of...our message in front of a consumer at the right time. What we don't

want to do is feel like...a consumer feels like they're being carpet bombed by the same message over and over again. Yes, we want repetition with traditional communications as we've discussed. But it shouldn't be to the point that it's actually turning off the consumer because they've seen it so many times. It should still feel slightly fresh. They may notice something new every time they see it, but they're not seeing it every day or every second of every day or that's what it feels like to them.

And when thinking about the media strategy and media positioning, there are four elements. Think about your, the target customer, and how we define the markets that we're operating in because that will influence where we want to spend our media. If I'm a marketer and I'm focusing on business to business, I may not necessarily want to use some traditional communications channels and traditional media. Do I want to do a television advert? In the evening, for example, when most people are at home, trying to unwind, they may not necessarily want to think about their job, or think about the next deal they're trying to do. So by the very nature of that market, that industry, that will define to an extent the media we use as marketers.

We also need to think about the brand promise. So does that media help us deliver a strong brand promise? Or is it becoming diluted because of the very nature of the media? And finally, does the channel allow consumers to understand and give them a reason to believe in our brand?

Now integrating marketing communications is not about carpet bombing, as I've mentioned before. This is about understanding how consumers are using media, and using different channels at the same time but putting the right message in the right media at the right time. So it's in front of them when they're at that point in the decision-making journey whether it's reinforcing the brand so it's part of the consideration, or whether it's being there when they actually want to make a purchase. So this is about the omni-channel approach. Again, I want to emphasize, it's not multi-channel, it's omni-channel.

And finally, when planning a media strategy, we have to think about how we can leverage the relationships that media agencies hold with media owners. And this is another important element and it's why again, outsourcing, media planning, media purchasing, is very common amongst businesses and brands because we can then leverage those relationships. Media agencies spend time building these relationships and it creates economies of scale. It also means we can secure optimal positioning.

So with MediaCom for example, they have a really strong relationship with Sky Broadcasting. Now, Sky also used WCRS to do their advertising, to build advertising for their actual products. So, at Direct Line Group, we could leverage the power of the relationship between WCRS and Sky, because WCRS were one of our creative agencies in terms of executing creative for Churchill, one of our brands, but also through our relationship with MediaCom. And that meant that we could not only secure some really strong positions when we wanted to relaunch our advertising or run new campaigns, it also gave us access to new channels, new things that Sky were developing and we could test them first. That's a really important part of having a relationship -- it opens up new possibilities.

And finally, as I've mentioned economy of scales, it's the cost savings. By leveraging those relationships, we can save money as organizations, as businesses, if we can save marketing dollars, we can spend them delivering more campaigns, and achieving more objectives.

## Budgets and Resources

Now, with resourcing and resourcing traditional media planning, there are often specialty skills that are required and that's why many businesses, many marketing departments, will outsource this element of the marketing process because it does require such specialty skills. And if I think back to all the marketing departments I've worked in during the last 16 years, every one of them has outsourced media planning and media purchase because it's not a, you know, as marketers, many of us have research skills and implementation skills and the ability to analyze.

But it's also about negotiation, a negotiation with media owners, and this is something that takes time and dedication and building up those relationships and as marketers, we don't have that time. We should be spending our time delivering great campaigns, building great products, understanding our customers, and achieving our objectives. And media planning and media purchasing allows us to achieve those, but if we focus in on do-if we added that part to our internal processes, it would take up too much time.

So apart from my experience, I would certainly recommend outsourcing this because of the specialty skills that are required. And when we're talking about outsourcing our media planning, we then get into budgeting. And we need to understand how a... what a budget consists of. How do we build a budget? And when we're building a budget to achieve objectives, it's often comprised of three things: production, media, and agency fees for services.

So what do I mean by these three areas? Well first of all, production of the actual creative itself. So how much does it cost to produce a television advert, or a radio campaign, or a piece of direct mail. Secondly, it's actual cost of the media channel itself, so if you're displaying something, that's a media cost. It could be a postage cost. And thirdly, it's the agency fees. So, if you're outsourcing this, if you're outsourcing the creative elements, how much are you being charged by the agency? And there are different ways of working with the agencies, and the two main ones are either paying on a project by project basis, or if you're working with an agency for long enough, actually having them on a retainer, which vastly reduces your costs compared to doing project by project if you're running a number of campaigns.

And thinking about traditional media, the costs for producing traditional media and displaying it can really be prohibitive for small companies. Take this chart for example. Here we see the cost of a 30-second Super Bowl advert over the years from 1967 to 2015. So in 2015 for 30 seconds of television time, before factoring in the costs for agency production for the actual creation of content, it is costing a brand four and a half million for 30 seconds of time on a television channel. Now that is the extreme end. A 30-second advert during a program called Gogglebox, which is on channel 4 in the UK, is only £50,000. But even that is a lot of money to a small business. Your marketing budget for the year may only be £100,000. So a 30-second advert, £50,000 on Channel 4? That immediately puts it out to the marketing mix and creates a very limited scope for all small organizations to use some traditional channels.

What we have seen as a result of the other extreme, is some businesses and some brands taking that money and doing very different things. So a classic example from the US was Esurance. And they said in 2014, "Actually, traditionally we buy a big Super Bowl adverts but what we're going to do this year is not spend that money on TV and do an advert in the middle of the Super Bowl. We're going to take that money and we're going to give it to a customer." And they worked with, I believe it was Jimmy Fallon, one of the late night talk show hosts, and ran a campaign, mainly on digital, and it got them huge traction. They were one of the biggest brands, had the biggest brands' shared voice



during the Super Bowl period, because they'd taken a different approach. So don't feel constrained by traditional media and having to spend that money. Actually, you can do very different things.

## **Performance Measurement**

Now, once we've executed our campaign, the final thing and a key element, just as key as anything else, or maybe the most important thing is understanding how it has performed. Because unless we understand how our campaign has performed we won't know whether we've achieved our objectives and our campaign objectives. And often with traditional media we need to conduct customer research to measure the effectiveness of our campaign. Why is this? Because, unlike digital where every interaction has data attached to it, it's very difficult to measure. There are no devices for example, with every television in your target market, that will say whether somebody's watching that advert at that time. The television may be on, and your advert is playing, but that customer, that consumer may be in the kitchen getting a drink. Or they may be talking to someone and ignoring and not even paying any attention to what is going on.

So, that's why, as marketers dealing with traditional communications and traditional channels we often need to perform customer research. Because that then allows us to measure things like, awareness or the effectiveness of the advert. And critically, get emotional responses. So, one thing sometimes we can't measure with digital because it is quite binary in nature is the actual emotional response to the brand. Performing customer research allows us to understand that and measure that. But with traditional communication channels because we take this shotgun approach, this carpet bomb approach, it can be difficult to measure that effectiveness and get a return on the investment. We don't know, if you launch a television campaign for example, and are advertising a specific product, how do you know whether that has had an increase on sales? Even if you mention a code for example, so a discount code. Or you mention a special telephone number for people to call. When measuring performance for a brand, one thing that is critical to understand is your brand equity. And a really useful tool is Keller's Brand Equity Pyramid. So, step one is brand identity. Yeah, who are you? What do you stand for? And this is the very foundation of the pyramid because the goal of your organization and your goal is to create brand salience or awareness.

So, in other words you need to make sure that your brand stands out and that customers recognize it and are aware of it. You're not just creating brand identity and awareness at this stage. You're trying to ensure that brand perceptions are correct at key stages of the buying process. So, I've discussed previously about consistency and being able to control the consistency of the brand at every point of the experience. Secondly is brand meaning. So, what are you as a brand? So, the goal in this step is identifying and communicating what your brand means and what it stands for. So, the two building blocks in this step that we talk about are performance and imagery. Imagery helps communicate what you do, what your brand is, what your brand stands for. And the third step is brand response. So, what do I, as a consumer think or feel about the brand? And your customers' responses to your brand fall into two categories. Those are judgments and feelings. Your customers constantly make judgments about your brand. And those judgments can fall into four categories.

The first is quality. So, how do customers judge your product? Based on its actual quality or its perceived quality. So, again, we've spoken about the importance of what other people are saying about your brand, about your product. Secondly is credibility. And customers judge credibility using three dimensions. Expertise, which can include innovation, trustworthiness and likeability. All of these contribute to the credibility of your brand. Thirdly is consideration. Customers judging how relevant your product is to their unique needs. We may think that, you know, we may treat customers as part of segments but every customer feels that they have unique needs, and that's how you need to serve them and how you need to treat them. And finally, superiority. So, is your brand superior

compared to competitors? That's what customers are assessing at this stage. And the final step is brand resonance. How much of a connection would I like to have with you? And this sits at the top of the pyramid because it's the most difficult and the most desirable thing to achieve. You've achieved brand resonance when your customers feel a deep, psychological bond with your brand. And Keller broke this resonance down into four categories. Behavioral loyalty. So, regular repeat purchases. Attitudinal attachment. Your customers love your brand or your product and they see it as a special purchase. The sense of community. Your customers feel a sense of community with people associated with the brand including other consumers and representatives of the business.

And finally, active engagement. They're engaging with the brand constantly. I've spoken previously about Rapha. And again, Rapha are an amazing example of a brand that has achieved brand resonance. After Rapha launched, they created a secret club called Imperial Works named after their offices, which they invited their very best customers to join and they created special products that only these customers could purchase. But what Rapha then understood through carrying out continual insight research, is that actually this behavioral loyalty, this brand resonance, stretched far beyond this small group of customers that they thought they were the most loyal. And it's got to the point where they've created a cycling club to create that sense of community. And people are paying £150 so, about \$250, to join the club when actually all they're getting is the ability to purchase very different unique Rapha products. So, they've been able to take advantage as a business of this brand resonance and create even more value for themselves. Whilst at the same time delivering a sense of value to their most engaged and active customers.

Finally, when measuring performance, let's talk about the research techniques that we can use. Because as I've mentioned earlier, in order to understand the effect of traditional communications, we need to carry out research. And there are a number of online research techniques we can use. Whether it's real-time chat, whether it's video channels, whether it's research blogs or research communities, social network monitoring, today as a business you really, really need to have someone responsible within your department to monitor social networks. To hear what people are saying about your brand. Not only to collect the good things, but to be able to respond when people are saying negative things about your brand. And save those moments.

