



The three things that will make an impact on Media Planning and Buying, on the road to 2010

Today, audience fragmentation is coupled with media fragmentation. We consume media as diverse as podcasting, websites, emails, events, television, radio, outdoor. Technology has made this possible, and will continue to enable the consumer to control different media. The consumer chooses what she wants, when she wants it and where she wants it. Cricket scores can be accessed on cell phones whenever the consumer wants. In my opinion, following three developments will have maximum impact on media planning and buying; on The Road to 2010:

1. Word of mouth marketing:

A significant impact on media planning will come from community sites enabled by Web 2.0. While community radio either focuses on what the station can do for the community or encourages the participation of community members in producing content, community sites are user created, allowing users to be as interactive as they like.

Web 2.0 refers to the new metamorphosis of the Internet, led by Google, Flickr, Facebook and del.icio.us are Web 2.0 communities. They use folksonomy or tagging rather than taxonomy or directories to categorise data based on personal relevance, a key element of Web2.0 as described by the coiners of the term - Tim O' Reilly and Dale Dougherty.

Blogs, which link to each other, improve their Page Ranks and therefore come up in order when searched for on Google. Blogs enable users to earn revenue from Google AdSense, which in turn earns money from advertisers, who are benefited by reaching potential consumers in an environment related to the product advertised. This enables viewer to be exposed to ads with related content on the website.

Blogs are journalistic and often on specific subjects, rather than personal websites, which were predominant in Web1.0 as a means of self-expression. The user can explore specific areas of interest by going to specialist blogs. Participation by allowing the user to create media rather than be controlled by it is a key force to be harnessed by media planners today. An alternative to mass media is now present. A user's specific interests can be satisfied by belonging to many communities online.

Media planners can then amplify the message sought to be conveyed by using blogs. Word of mouth marketing then leads peers to ratify the product. Peers trust peers. Bottoms-up buzz is gaining ground over top down messaging. Word of mouth is now a public conversation online, carried on through comments on public and consumer reviews. Such recommendations are required to smoothen the passage of other consumers through the mass of information available today. They may be as influential as advertising, but significantly cheaper in comparison.

2. Digital advertising and distribution:

Users can distribute content across multiple channels - blogs, videos, community sites. This has resulted in the application of the long tail to the media industry. The long tail is a phrase coined by Chris Andersen, where he argues that products that have a low sales volume can collectively make up a larger market share than the fewer bestsellers, if the distribution channel is long enough.

According to Pricewaterhouse Coopers, the 50 largest

Web companies are attracting 96 per cent of the adspends online, with the majority going to Google and Yahoo. However, we must also consider that half the ad revenues for Google and other similar sites is actually redistributed to thousands of smaller sites via affiliate models like AdSense.

The mass of niches, which has always existed online, can now be accessed at a lower cost - both by consumers searching for niche products and vice versa. Unprofitable customers, products and markets are now turning profitable.

Passive consumers have shifted to becoming active producers. The Internet has enabled peer production, where amateurs and volunteers are only slightly behind their professional counterparts in terms of their available resources to embody their vision.

Peer to peer distribution serves as a form of low cost marketing for amateur producers to test their offerings on their target audience. As they have less to lose, they are less risk averse. Their products tend to be more creative.

As choices increase and people have less time, they are likely to be less price sensitive. Digital distribution shortens the search time and widens the range of likely customers. Shorter content may be preferred for convenience, while longer content is valued for substance.

3. Online trading of media:

As audiences change, so must media buyers. Media consumption habits are becoming more complex. These trends will influence media buying. The manner in which consumers interact with one another is altering - their online identities and relations are often as important to them as their physical world selves.

Online trading of media will make a significant impact on media planning and buying by enabling a win-win situation for clients and media houses.

Online media trading will also prove to be more convenient than the current scenario. The unsold inventory of media houses can be auctioned online. Advertisers can avail of competitive rates. Such a system would be more transparent than the existing one.

Advertisers would be able to work in closer tandem with their agencies to determine the most suitable media buys. As buying costs are reduced, they would be keener to try out new media options.

Reverse auctions - where advertisers set a maximum price they are willing to pay to reach their target demographic will also prove to be an effective way of optimizing return on investment.

Although technology has made online trading possible, changing mindsets is imperative to ensure a smooth transition to trading media online. Like banking, media buying is a relationship-based industry. Just as ATMs, though initially resisted by customers, have revolutionized the banking industry, online trading of media will alter the face of this industry.



SHARAT JAIN
CEO
DENTSU MEDIA

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