SLIDE # 1

SLIDE # 2

Whenever I speak or write about building brands online, I feel like one of those presenters on the TV show Myth Busters. I see myself outside on one of those disused airstrips where they test and film many of their exploits.

You know when they're outside on a disused airstrip, they are going to blow something up!

In my case, the myth to explode is that the web is ONLY a great platform for direct marketing, direct response, performance, return on investment, pay per click, a pay per whatever medium.

Associated myths include that click through rate – the percentage of your display ads that consumers actually click on – is the best metric to measure the effectiveness of your online display advertising.

And this leads to the biggest myth of all, and that is that you can't build a brand online.

These myths are represented in my mythbuster analogy by a dodgy, clapped out car, or maybe even one of those crash test dummies (representing the people who sprout this rubbish)!

I then see myself stuffing the car with all of the case studies for branding online, with the proven link between search advertising and the impact on your brand, with the impact of online video advertising and other rich media display advertising on your brand, with the facts linking offline purchases with online research, and finally with the advancements in web audience measurement that will explode that other myth that you can't buy reach online.

I pack all of these metaphorical explosives into that car representing all those ridiculous myths, and with my beret perched on top of my goatee-bearded head, I retreat to a safe distance, place my safety glasses and ear defenders on and with a wry smile on my face, turn towards the cameras and hit the red button.

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BOOM! The car explodes into thousands of pieces, scattered 400 metres high and wide across the disused airstrip, and with it all the myths about online advertising!

So let's start by looking at the problem and it's root cause.

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From the day I and an army of fellow advertising sales converts stood up in front of advertisers and agencies over a decade ago and boldly shouted "not only can we tell you how many people SAW your ad, we can tell you how many people CLICKED on your ad" we doomed this industry to a direct response, measure by the click, medium.

And it's worked, spectacularly!

If you take search as a pay per click sector and add to it the estimated 30% of the display sector that is pay per action advertising, then an estimated 60 cents in every Aussie dollar spent in online advertising is on a cost per whatever basis. Of course the rise of ad and affiliate networks has capitalised on this demand from advertisers and agencies for pay per action online advertising, with this sector of display advertising estimated to be growing at up to 40% year on year here in Australia.

So, we brought this on ourselves.

Then, add to click through rates as a metric of advertising effectiveness, the smoky art of measuring web browsers instead of people, and offering display advertising on a cpm basis – NOT the cpm media buyers have been used to for decades in television where you pay a cost per thousand people that you reach, but a cost per thousand online ad impressions – and you have a pretty weak set of metrics from what we proudly proclaim is the most measureable medium in the world. Not much of an attractive place for global, national and local brands to divert their already limited brand advertising dollars that have performed quite well thank you very much over the years on television, and in print.

So online advertising, and the web as a medium, is currently in the proof stage of it's life cycle. Marketers say to us "prove it and we'll move it" – their brand advertising dollars that is.

Well the proof has two parts in my view – part one is getting the basic metrics right. For years marketers and agencies have been saying to us, we can't compare apples with apples. They want to know what is reach online? What is effective reach? How can we measure and build frequency online? What's the online equivalent of a TARP or GRP? And how can I compare a cost per reach in television with a cost per reach online?

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In a recent special report by emarketer.com, in response to the question "What single word or phrase would you use to describe the current state of online advertising measurement?" the responses were a wake up call for the industry...

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Some industry luminaries even declare that online advertising will fail to attract the big brands unless and until we can give them metrics they are comfortable with.

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Well, I'm here to tell you all that online audience measurement in Australia is currently undergoing it's most rigorous reinvention and we are dangerously close to providing media planners, buyers, and marketers with a range of metrics they have been familiar with for decades. Yes, reach and frequency.

2 years ago, 27 people form 17 companies – online publishers, ad networks, media agencies, the IAB, the AANA, the AFA, MFA and AIMIA – representing over 800 member companies all together, created a needs based blueprint for online audience measurement and invited vendors to submit proposals to meet those industry needs.

The IAB along with the Media Federation of Australia commissioned an independent audit of Nielsen Online's panel in August last year, and only last week Nielsen launched it's new NetView panel and data. The result is today the most statistically robust online audience measurement panel Australia has ever enjoyed. This panel now produces reach figures for marketers, planners and buyers. Reach and frequency tools are coming shortly.

Also soon to launch will be a hybrid online audience methodology – the merging of the people based panel data with the server based tag data to offer marketers a complete picture of online audience measurement. Media planners and buyers will finally be able to line up an online media schedule reach and frequency and compare it with a media schedule in television and in print, using the same metrics.

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Once we get the basic metrics right of audience measurement, we can then turn our attention to measuring advertising effectiveness - how the online advertising industry will prove, measure and quantify the impact of brand, display advertising, on consumers and on other, related media executions, such as search, and social media, and on other media, free to air television, subscription television, print, etc.

You will read and hear a lot about so-called engagement metrics - how long a consumer spends with content and therefore with brand advertising in and around that content. You will hear terms including average session duration, dwell time, average pages per session, completion rates for online video viewing,

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as well as the new frontier of social media metrics – how many blog comments, tweets, friends, messages, peer-to-peer referrals and many more.

You will also see and hear a lot about Microsoft's engagement mapping. Microsoft has invested significant resources into combating the so-called last click attribution which is the root of Google's success. What if you could actually prove, and quantify the impact of various advertising touch points with consumers PRIOR to them searching on Google or any other search engine and then clicking on a link for which the search engine receives the entire attribution and the revenue? Microsoft has already trialled their methodology and advertisers are interested to understand more how online display advertising impacts their search activity.

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For some though, it's clearly not just about measurement.

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So when you have at your fingertips "apples with apples" metrics, and you can successfully measure consumer engagement with online branded content and online brand advertising, the only missing piece will be the proof that your advertising delivers you your desired outcomes.

For marketers, whilst that is often unit sales, it is also increasingly about brand presence – market share, brand recall, brand preference, brand referral and intention to purchase.

Contrary to those myth purveyors I referred to earlier, there are literally now hundreds of credible research and case studies proving the effectiveness of online advertising in moving the needle on a brand's metrics.

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In fact, in a recently published guide titled appropriately "Building Your Brand Online", the UK IAB CEO, Guy Phillipson writes in his introduction...

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"...When it comes to building brands each medium has its USP, but one thing we know for sure is that when you add significant online elements - such as rich media, video, search and word of mouth to your brand story, then your metrics do go up."

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He goes on to write "…In this new phase of online usage, the medium has become…the channel of choice for consumers to get more out of brands, to access information, to play, to find out what other people think of these brands and then if not buy, at least make a significant commitment to them."

The Brand Guide details the findings from two years of case studies carried out by the UK IAB by various brands, and concludes

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"… digital, interactive media outperforms all others in delivering understanding of the consumer, immediately and effectively. Brands and agencies need to grasp that opportunity to create successful 21st century brand stories. Of course we must work with and complement offline activity, but today's winning brand marketers will have digital activity at the very heart of their strategy and delivery."

There are numerous case studies proving brand engagement, cross platform brand optimisation by for example Dynamic Logic and Nielsen, among many others.

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In Australia, Nielsen Online carried out an advertising effectiveness study with the IAB last November for Kelloggs Sultana Bran. The five brand metrics tracked all increased significantly from online advertising as a stand alone medium in this particular study. Many other studies demonstrate the effectiveness of online advertising when integrated with other media. New research also proves the link between brand display advertising and search activity.

Much of this proof depends on the quality of the creative executions. Online as an advertising medium is no different to all other advertising media in this respect. A bad ad, is a bad ad, whether it's on TV, in print or online. Or, as Jeff Marshall, the managing director of one of Publicis Groupe's digital creative agencies put it

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"If your creative isn't good, then you aren't going to create engagement."

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A senior executive of Dynamic Logic goes further, stating the biggest driver of brand impact success is the creative.

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Great creative, such as Queensland Tourism's Best Job In The World campaign, crowned this year's IAB Australia's Best of Show Winner, together with great strategy integrated across multiple media platforms, not only wins awards but far exceeds marketing, communications and PR objectives, yielding incredible returns on investment.

Of course it helps enormously when your product happens to be Hamilton Island and the Great Barrier Reef!

So we have, or soon will have, the metrics we need to measure effectiveness and efficiency. We have proof studies all over the world. And the quality of online creative is improving all the time.

So what? So what will that do for my business? For my brand? For the media industry?

Well, it will put pressure on those marketers and their agencies who continue to invest the majority of their brand advertising budgets into non interactive media. This pressure will manifest as the continued and accelerated migration of advertising budget allocation to online and other interactive media.

It will fundamentally shift the balance of power from so-called traditional media businesses to businesses with interactive media. It will challenge the media planning industry to start with digital at the core of media, marketing and communications strategy.

It will lead the charge for improved, more accurate cross-platform audience measurement.

It will force brands to rethink their entire positioning strategy based around interaction with and by their very consumers who wield more influence than ever before through their myriad of powerful online communities. Social media tools such as twitter and facebook, will speed up the research of brand perceptions and product development. It will force Universities to include interactive advertising and digital media in their marketing curricula.

This is not just about building brands online. This is about fundamentally the biggest change in marketing in recent history.

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So, in summary, when building a brand online,

- Borrow from the hundreds of case studies available online
- Research the growing knowledge bank of how to influence brand metrics using digital media
- Apply the common principles of brand building
- Integrate your digital media strategy, execution and creative with other media
- And destroy those myths!!
  Thank you.

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Footnote:

The IAB UK "Building Your Brand Online" Guide can be found at www.iabuk.net

The Special Report "Online Brand Measurement" can be found at www.emarketer.com