

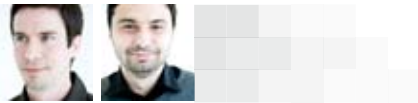
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Two Thousand and Ten
Digital Marketing Outlook



Society of
Digital Agencies

How CMOs Will Harness Digital Platforms in 2010 to Forever Change The Way Consumers Interact With Brands.



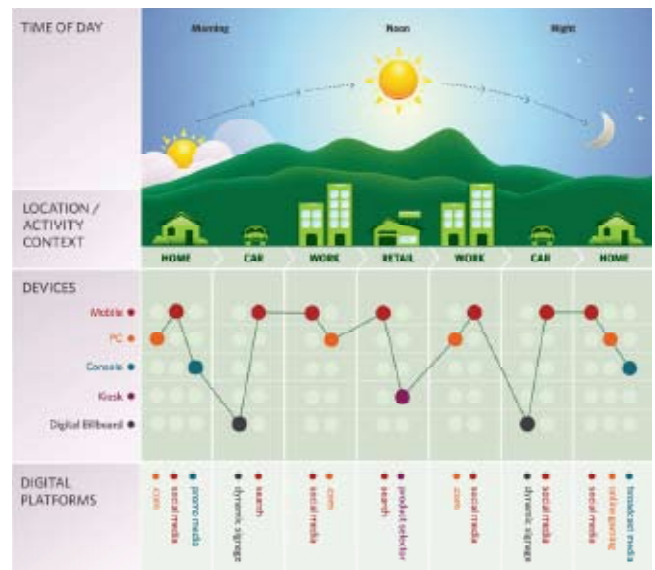
By Ken Martin, Chief Creative Officer, and Ivan Todorov, CEO & CTO, Blitz

In the coming year, savvy CMOs will utilize digital platforms in new ways to make their brands an integral and integrated part of their customers' everyday lives. As the digital adoption rate by consumers continues to skyrocket with new trends like Twitter, Facebook, Augmented Reality, touch walls, gesture recognition and ultra-portable devices, marketers will no longer view these platforms as standalone touch-points, but instead, as seamless engagement opportunities that keep their customers continually connected to a brand story whose plot can shift and influence purchasing decisions throughout the day. In order to be successful with every digital initiative and to strengthen the brand-consumer relationship, CMOs must select digital platforms that deliver high engagement value, connect brands with consumers' social networks, and provide value and relevance in context of each consumer's location and activity.

A Day in the Life: Digital Touchpoint Opportunities

Throughout every second of every day, there are infinite ways in which brands attempt to engage customers and influence purchasing decisions. During the pioneering days of radio and billboards, advertisers utilized these "new" mediums to reach consumers on the go. However, these platforms provided little value to the consumer other than brand exposure and information dissemination. In contrast, the new digital mediums provide advertisers with custom platforms and interaction models that take into consideration where our consumers are and what they are doing at every moment and then enhance each and every one of those moments.

A perfect example is the Day in the Life Continuum, which illustrates the breadth of touch-points in which brands may interact with consumers to offer them relevant content based on the time of day, what they are doing and the devices they possess. From digital television, gaming consoles and personal computers at home, to digital billboards, in-store kiosks, mobile devices and netbooks, there are countless engagement levels that can be leveraged to keep people tuned in, seamlessly integrating brands into the everyday lives of consumers.



It is imperative that every execution extends beyond the single touch-point along the continuum, or the consumer will find other brands to better fulfill his or her needs. This consumer cadence must be followed to determine where and how they will interact with a brand. When planning an integrated digital deployment strategy, it is important to be sensitive to the rich media capabilities, interaction models (mouse, handset device, touch, gesture, etc.), and the ability to link up multiple platforms with one another via APIs and web services. Connecting platforms and touch-points is critical in enabling the continuation of the brand story throughout the daily routine of consumers. In doing so, we are able to provide more value and

relevancy to consumers' locations and activities.

Engagement Levels Vary

Brands will compete for consumer attention at every touch-point. One way to capture mindshare is to maximize the level of engagement. We have ranked five levels of engagement, from the least to most impactful use of digital platforms. Impact is correlated directly to the cost of execution. The higher the impact, the higher the cost of execution.

Level 1 – Gag | Impact – Low | Cost – \$

Usually seen on digital billboards, banners or simple iPhone applications, gags use the “big-pop” strategy — they get your attention quickly, disrupt and make you laugh. Gags are very short lived and your consumers' attention quickly moves onto the next thing.

Level 2 – Utility | Impact – Medium | Cost – \$\$

These ordinarily come in the form of a calculator, recommendation engine, price finder or similar task-oriented feature. With a utility, it is important to intelligently utilize available contextual data to provide in-the-moment value. An iPhone application can be more than just a novelty that is used to kill time. Instead, for example, it could tap into a location based service (LBS), determine the proximity to a Gap® store, and offer a coupon for a new shirt thereby offering utility and value to the consumer.

Level 3 – Social Connectivity | Impact - High | Cost – \$\$

Social networks allow consumers to effortlessly share their positive experiences and activities with your brand. Simply give them the tools to help spread the word and influence community opinions: iPhone apps, websites, online activities (such as completion of shopping experiences), Twitter and digital board SMS campaigns. Connect consumers with popular social networks, like Facebook, and watch as they fight for brand bragging rights.

Level 4 – Brand Customization | Impact – High | Cost – \$\$\$

Build brand customization platforms that give consumers the tools to invent, create and invest their time by personalizing the product and making it their own. The ability to customize and express individuality builds stronger brand affinity and loyalty. For maximum impact, customization platforms should be linked with social media to allow users to flaunt their customized products and influence their peers.

Level 5 – Brand Lifestyle | Impact – Highest | Cost - \$\$\$\$

The highest engagement level is achieved when brands provide everyday services, utilities, customization and social ecosystems that enable consumers to truly live the brand. As demonstrated by Nike +, Nike leveraged product usage data and integrated it within a social network, creating a community of cultish belonging. Clever utility encourages competition and Nike utilized this strategy to make the campaign a tremendous success.

First generation digital platforms focused on deliverables living on a single channel: an iPhone application, an interactive Web site or a kiosk-like attraction. These individual deployments were designed to establish presence in areas where consumers were previously unreachable. CMOs will invest in Brand Lifestyle Platforms that create synergies across multiple channels, connect activities and unify all touch-points into one holistic brand experience that increases consumer mindshare and passion for the brand.

Not all Digital Platforms are Created Equal

For maximum impact, CMOs must be selective when choosing digital

platforms in order to best captivate and motivate audiences to spend more time with the brand. Evaluate them based on the following criteria:

High Engagement Value

Digital platforms with rich, multi-media capabilities will deliver higher engagement value. Common factors are:

- High resolution display graphics
- Sound volume and quality
- Video and animation playback
- Real-time 3D
- Interactivity and interaction capabilities for touch, multi-touch and gesture interactions

Utility, Content and Production Quality

To maximize effectiveness, the chosen platforms must allow the brand experience to meet the following criteria:

- Engage
- Excite
- Inform
- Entertain

Connectivity to Social Networks and Real-Time Dynamic Data

Digital platforms that enable audiences to share, post to Facebook, invite friends, tweet and spread the word about a brand experience will further improve ROI by exponentially increasing awareness via word-of-mouth. Investing in Internet connectivity ensures the most up-to-date content and application upgradability.

Provide Relevance to Location and Activity

Platforms utilizing location-based services (LBS), such as the iPhone and Xbox, are more valuable, relevant and impactful because the service and utility they provide is in context to consumers' location, activity, season or event they are attending.

Approach

To fully harness the digital landscape, brands and agencies must understand the entire connectivity story. First, they must examine the variety of daily touch-points consumers experience to determine when, where and how to best solicit the brand. Secondly, brands and agencies must understand the platform utilities and how to leverage them both independently and through the integrated model. Lastly, they must distinguish the character of the platforms for connectivity (via APIs or offline groups) to invigorate the social movement around the brand.

To create strong connections with consumers, CMOs must look beyond the digital platform itself and examine the demographics and psychographics of the individuals who use the products—in context to their lives, locations and activities. The most effective digital platforms have shifted from “disruptive” to “productive” by providing a service or utility—either by introducing a new behavior or meeting a perceived need of the consumer. The big ideas should not only be strong enough to live across channels and devices, but fundamentally change the approach from “how we reach our customers” to “how we make their lives better and make our brand an integral part of their lives.”

From Disruptive to Productive

Traditionally, consumers are first introduced to an engagement experience through entertainment whether through a game, video or song. As more features are added to the experience, marketers/

agencies have the opportunity to deepen the engagement and relationship with the consumer; ultimately taking on the role of a utility. Over time, these utilities are perceived as tools and become a necessity in the daily routine of our audience—as common as a toothbrush or mobile device.

Here are a few of the steps when planning an integrated digital platform:

Lead with the Human Truths

- Establish brand objectives and develop personas for your target demographic.
- Plan to make consumers stakeholders in your brand.
Build a “day in the life of” diagram and visualize what your target consumers do and where they do it every hour of the day.

Conduct a Brand Presence and Touchpoint Effectiveness Analysis

- Where is your brand and where are your competitors as a part of your consumers’ life? What is the frequency of the communication?
- Find untapped opportunities and needs of the consumer.
- Is the brand maximizing the effectiveness of every touch-point throughout the day? Are you at Level 1 or Level 5?

Design campaigns and select digital platforms

- Select platforms that best fit within the various touch point opportunities and best perform against your competition; taking into account location/activity pros and cons.
- Have your competitors saturated the location? Can you differentiate your touch-point to be more effective and engaging so you can overtake your competition?
- Environment, noise and distractions—is your installation going to be affected by the weather (sunlight, rain etc)? Is the location too noisy and do you rely too much on sound? Are you using technology that may be impacted by light availability (e.g., cameras)?

Conclusion

Digital platforms are dramatically changing the way that people interact with brands, and 2010 will be a year of sizeable growth in technologies and utilities. Every brand has the potential to become interwoven throughout every moment of every day of their consumers’ lives. The best use of digital platforms in the coming year will be crossovers—between a product and service—addressing both a need and providing enhanced functionality and access to the greater brand offering. The ability of touch-points to connect with one another via APIs and Web Services is critical for enabling the continuation of the brand story and to provide relevant, contextual content or features.

The idea that there are barriers between people and technology is being debunked as we continue to integrate more platforms into our digital lifestyles; interactions are quickly becoming more intuitive, intelligent, and human; technologies are starting to seek out consumers, rather than consumers seeking out the technologies. Innovate as much as possible. Consumers have come to expect innovation from their beloved brands as long as those brands’ usage of digital platforms provides service, relevance to lifestyle, and entertainment value.

Here are a few platforms to keep an eye on:

Mobile: The promise surrounding mobile devices is starting to fully be

realized—constraints are now being replaced with possibilities; better tools and SDKs for developers with much better distribution platforms (app stores for iPhone, Pre, Nokia and Android) are creating a rich ecosystem of applications that fit our needs; increasingly faster and better networks (3g + 4g) and better phones are changing behaviors and pushing innovation. Lastly, it’s not just more noise, but with tools like GPS, AR and services like LBS, phones are getting smarter too.

Augmented Reality: It is still very early in the lifecycle of AR, but the potential of the technology demonstrated by applications like Layar, and the possibilities of using AR to enhance the consumers’ experience with actual physical products like toys makes AR a technology with a tremendous amount of opportunity to enhance our lives in the near future.

Using APIs to create Platforms/Ecosystems: Platforms like Facebook, Twitter and Boxee who are using APIs to harness the power of the community are prime to continue their innovative streak. APIs help us extend a platform and customized it to the needs of consumers. We are excited to see the continual evolution of these platforms as we believe the installation and innovation of these platforms will grow substantially in the years to come.

Video Convergence Platform: Whether it’s Xbox and Netflix Streaming, Boxee and Hulu or TVs that are now connected to the Internet by default, the entertainment convergence is opening exciting new avenues for both marketers and consumers. We find great value and utility in being able to watch full HD resolution at home or on the go regardless of the device. And the increasingly available content whether created on YouTube or a major network like CBS only augments our belief in the future value of the combination of these platforms.

Xbox Project Natal: By removing the joystick, Microsoft takes a bold step forward with interface innovation. The use of intuitive human gestures in place of manipulating a traditional plastic input device has opened the door to making technology much more approachable to a broader age demographic as well as the technologically challenged. With its gesture-based controller, reminded us that people are willing to change behaviors if the payoff is rewarding and the technology is usable.

About BLITZ

BLITZ is a leading integrated marketing agency that brings brands to life by developing immersive, entertaining and imaginative experiences. BLITZ constantly invents new ways to excite, inform and entertain customers, making them want to learn more, go deeper, “play” longer and participate in an active brand conversation. BLITZ has developed revolutionary consumer experiences and campaigns for some of the world’s most exciting brands including Adobe, Activision, Microsoft, Naked Juice, Google, Disney, Starbucks and NBC Universal. BLITZ is available online at www.BlitzAgency.com.

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The Society of Digital Agencies (SoDA) serves as a worldwide voice for digital marketing professionals with a mission to advance the industry through best practices, education, and advocacy.

The Society of Digital Agencies



The brief history of SoDA founded on mutual trust among peers - and mojitos.

The idea for the Society of Digital Agencies (SoDA) literally started over a few drinks in South Beach Miami in March of 2007. A number of CEO's from recognized digital agencies had known, spoke or met each other over the last decade and agreed to meet in Miami to discuss the industry as a whole and at a minimum, have a good time. There was no agenda and no expected results. In attendance were the 13 founding agencies and executives of SoDA. Two days and nights of Mojitos both created new, and enhanced existing relationships.

During spirited discussion on the state of the interactive industry, the group discovered that they experienced a range of similar business problems that included not having any industry recognized best practices, a shortage of qualified, educated staff to meet the demand of new business, and there was no independent organization that represented this decade old industry.

At the conclusion of the meetings in Miami it was agreed to think about what had been discussed and to meet again in several months to see if, time permitting; there were still strong ideas of how to address the business issues that affected the interactive business and collectively were these representatives in attendance up to the task before them. The next meeting was in New York and then again in San Francisco where the idea for SoDA was officially formed. Five more agencies joined in 2008 to launch the Society of Digital Agencies, also known as "SoDA" at SXSW with Adobe as the launch sponsor.

It is now 2009 and SoDA has expanded internationally with 41 agencies around the globe. The organization continues to grow and is in constant motion with events, education initiatives and working collectively to continue as a voice of digital marketing professionals with a mission to advance the industry through best practices, education, and advocacy.