

**Bridging the gap.**  
**Why is it that when consumers shift their media focus, marketers are slow to follow?**  
 Digital Marketing Leadership Academy

Why are Swiss marketers missing out? With a country as technologically advanced as Switzerland, the marketing industry is missing a trick. Audiences have moved to the web, but advertising budgets still over-use the classic media channels. For smart marketers that means they're getting a loud share of voice online, and often without their competitors around, but for Swiss industry as a whole there's an inefficiency that's emerged in the last five years that represents wasted ad budgets. The world of media is changing at a breath-taking pace, and while some parts of the web can justifiably be accused of being over-hyped, internet media is unquestionably mainstream media, and for the marketers that forget the web from their schedule this means lost audiences and lost engagement. We look at the wider trends in media to consider how marketing paradigms have shifted from interruption to engagement and what this means for brands in Switzerland today.

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**Making sense of a digital world**  
 The Digital Training Academy

More information? Contact: [TheTeam@DigitalStrategyConsulting.com](mailto:TheTeam@DigitalStrategyConsulting.com) +44 (0) 20 7244 9661  
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**Bridging the gap.**  
**Why is it that when consumers shift their media focus, marketers are slow to follow?**

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 Zurich, Switzerland  
 September 2007  
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**Long journey Little time November '94**

The quietest of starts  
 Unclear content model  
 Uncertain revenues  
 Cloudy future  
 Geeky  
 Marginalised

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## Today

So loud, it's deafening  
Vast choice of content models  
Certainty of revenues  
Cloudy future for classic media  
Inclusive  
Mainstream



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➔ **Where do brands focus?**  
Why do print and television retain dominance in ad budgets and plans?



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## The media mix

Why do print and television retain dominance?

- They remain mass reach vehicles
- Client campaigns change the mix only gradually each year
- The models of marketing; coverage and frequency entrench them
- The currencies of media buying entrench them
- The demographic models of ABC1 social grade are based on them
- Corporate silos prevent joining the dots



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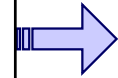
## The media mix

Why do print and television retain dominance?

- Historically online was a support medium
- Now can be the lead medium
- Online can deliver awareness and reach
- Online delivers emotion
- Online champions engagement
  
- The barriers?  
They are the very tools of our success  
Choice, measurability, targeting



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**Where are audiences?**  
And are they more engaged online  
than marketers think?



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“We’ve gone from mass  
media to masses of  
media...  
to massive changes in  
media...  
to the media of the  
masses”



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## 2003: Internet media Second most consumed channel



Online eclipses radio for the first time

Source: Forrester Research – Forrester Technographics 2003



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## 2006: Most consumed 160 minutes

- The average British internet user now spends 164 minutes online each day for personal use - the equivalent of over 41 days each year
- This compares to 148 minutes spent watching television
- Two thirds (66%) of survey respondents were found to have increased their time online over the past 12 months
- The biggest growth seen among 16-24 year olds



Source: National Office of Statistics Time Use Survey/TNS Research Feb 2006

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## 2007: Most consumed

- UK average:  
36 hours a month
- Across Europe:  
24 hours a month



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➔ **Switzerland: Unusual?**  
What's happening here?



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## Internet users Switzerland

- 5,097,822 Internet users as of Jan 2007
- 67.8% of the population

Internet Usage and Population Statistics:

YEAR	Users	Population	% Pop.	Usage Source
2000	2,134,000	7,407,700	28.8 %	<a href="#">ITU</a>
2004	4,589,279	7,452,101	61.6 %	<a href="#">Nielsen Net//Ratings</a>
2005	4,944,438	7,488,533	66.0 %	<a href="#">Nielsen Net//Ratings</a>
2006	5,097,822	7,523,024	67.8 %	<a href="#">Nielsen Net//Ratings</a>

Source: Nielsen//NetRatings 2007



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## Broadband and internet use

- Switzerland had one of the highest Internet and broadband penetration rates in Europe, ranking fifth in OECD countries in 2006

Source: Nielsen//NetRatings

- Broadband has replaced telephone communications as the main growth area since 2004, with DSL the principal access technology

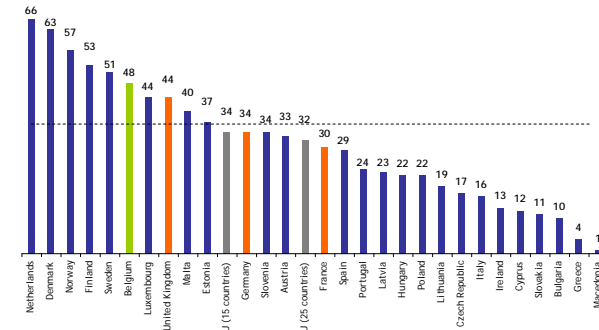
Source: Nielsen//NetRatings



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## Internet penetration in Europe

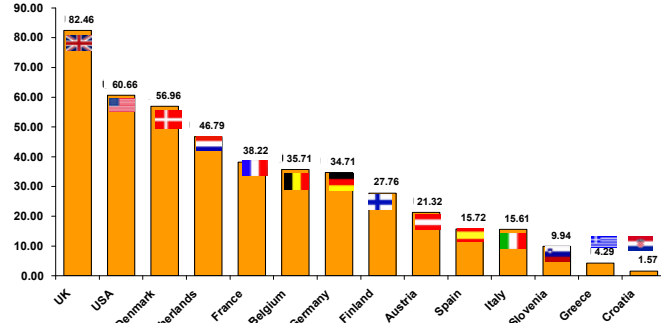
Number of Internet connections for 100 households



Source: Eurostats - Dec 2006  
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## Expenditure per user in €

Average European investment = €39.1 per active user



Source: IAB Europe/ IAB US/ PricewaterhouseCoopers/ www.internetworldstats.com/Stats 4



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## What's the number?

- Switzerland actual: 1.5% (display) or 4.5% (total estimate)
- Switzerland expectation: 8%
- UK: 12.6% 2006; 14.5% 2007 year-end

### Key factors:

- Broadband penetration
- Technology adoption
- IPTV take-up
- High marcoms spend per capita



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## Average web usage

Switzerland: Average Web Usage  
Month of July 2007  
Home Panel

Sessions/Visits Per Person	33
Domains Visited Per Person	69
PC Time Per Person	28:04:44
Duration of a Web Page Viewed	00:00:36
Active Digital Media Universe	3,717,766
Current Digital Media Universe Estimate	5,097,822



Source: Nielsen Netratings 2007

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## Top 10 parent companies

Switzerland: Top 10 Parent Companies  
Month of July 2007  
Home Panel

Property Name	Unique Audience (000)	Reach %	Time Per Person
Google	2,924	78.65	00:42:31
Microsoft	2,667	71.73	01:55:45
Swisscom	1,962	52.77	00:58:04
Yahoo!	1,021	27.46	00:36:29
eBay	1,001	26.94	00:50:06
SBB	958	25.78	00:17:18
search.ch/Räber Information Management	956	25.71	00:10:52
Wikimedia Foundation	928	24.96	00:11:13
SRG SSR	839	22.57	00:23:20
Schweizerische Bundesbehörden	833	22.41	00:11:20



Source: Nielsen Netratings 2007

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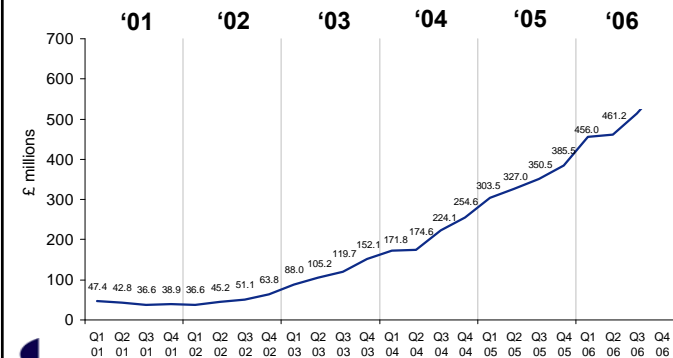
➔ **Is the world changing?**  
Understanding the shift in spend



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## UK: A laboratory for the Europe



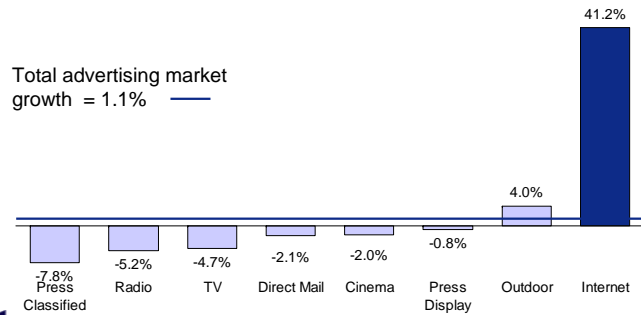
Source: PricewaterhouseCoopers / Internet Advertising Bureau / WARC

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## Online drives the whole market

Year on year growth for 2006



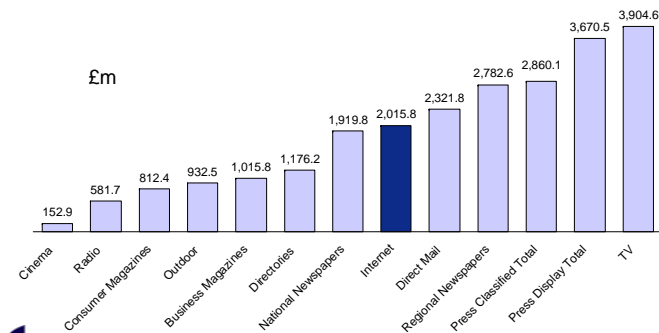
Source: PricewaterhouseCoopers / Internet Advertising Bureau, The Advertising Association / Radio Advertising Bureau / WARC



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## Online overtakes National Press

Full year 2006



Source: PricewaterhouseCoopers / Advertising Association / Internet Advertising Bureau / WARC / Radio Advertising Bureau. Directories are estimated.



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## Digital Strategy's predictions

**Overtaking direct mail spend**

Spring 2007



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## Spend

- Larger than national newspaper in 2006
- Larger than direct mail in 2007
- Larger than television in 2010

And this excludes:

- Website investment?
- Search engine optimisation?
- Email?



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## Western European adspend

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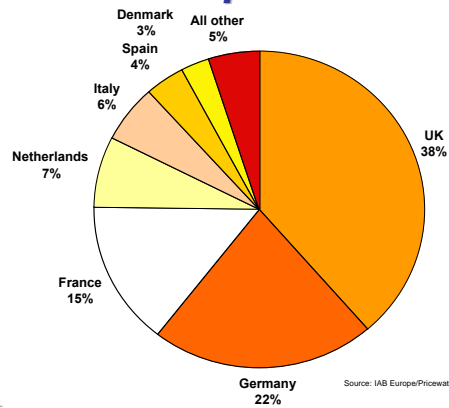
## Central & Eastern Europe

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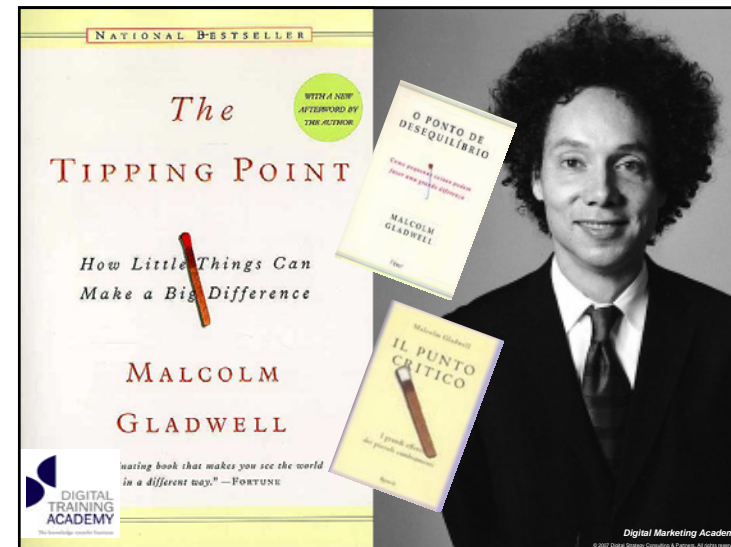


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## Share of European total spend



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***Is the gap growing?***  
A story of inertia vs innovation



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***Consequences?***  
And does it really matter?



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## Does it matter?

- The advantage of the few vs the inefficiency of the many
- A question of Swiss economic competitiveness?
- Or just continued wastage in marketing budgets?



## Marketing trends

Where is 'marketing' heading?



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## Targeting

*Moving towards one-to-one relationship marketing on a scale never before seen*

- **One to all**
  - Media's initial success grew from its large reach
  - (The problem for traditional media now is how to rebuild this!)
- **One to many**
  - Targeting by the editorial reading environment
- **One to few**
  - Narrower editorial environments
  - Smart advertising systems
  - Dynamic advertising targeting groups of viewers
- **One to very few**
  - Dynamic advertising targeting groups of viewers
  - Database profiles integrated into advertising systems
- **One-to-one? Maybe...**



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## Targeting

*Evolution of web targeting*

1994

- Home page
- Targeting users by the sections of a site they visit
- Sub-sections, targeting niche content
- Targeting browser types
- Targeting geographic groups (using IP addresses)
- Frequency capping (using cookies)
- Targeting demographic and lifestyle groups (using cookies and registration techniques)
- Behavioural targeting
- Data integration between sites

2007: Towards real relationship management?



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## Email: as branding

Jumbling up the marketing mix



**lastminute.com newsletter**  
MAY 16 2006 ISSUE NO 3

**Cut out & keep... Eurovision**

**WHAT YOU'LL NEED:**  
A pair of scissors, friends, a 20p coin, a TV, patience.

**THE RULES:**

1. Cut out the flags on the newsletter.
2. Place into a hat or similar receptacle.
3. Each player draws a flag from the hat and replaces it with a pound. Let it sit for 24 hours.
4. Watch Eurovision, or pick a song to perform.
5. During the singing, a judge gives all of your countries a point, you must perform in a format.
6. The person holding the winning country at the end keeps the cash.

**Win a karaoke room for you and 9 friends**

Have you ever been a bit of a Eurovision fan? Or maybe you've got a special Eurovision song that you love to sing. Well, now you can win a chance to sing your favourite Eurovision song in a karaoke room for you and 9 friends. The prize is a night at the karaoke room for you and 9 friends. The prize is a night at the karaoke room for you and 9 friends.

**Go for abroad?**

With Eurovision, you can win a chance to win a holiday for you and 9 friends. The prize is a night at the karaoke room for you and 9 friends. The prize is a night at the karaoke room for you and 9 friends.

**Check out more here**

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## Social media & UGC

Customers in control

Conversations you can join



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**Lastest Ringtones** for your mobile

**Recently Featured**

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- Matsuda 12: 567 views
- The Incredible Story: 890 views
- On The Set of: 1,234 views
- Emotional and: 567 views
- The Best of: 890 views
- A Day At The Office: 1,234 views
- The Best of: 567 views

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### AMELIA AND LORRAINE ON TOUR



#### KENYA

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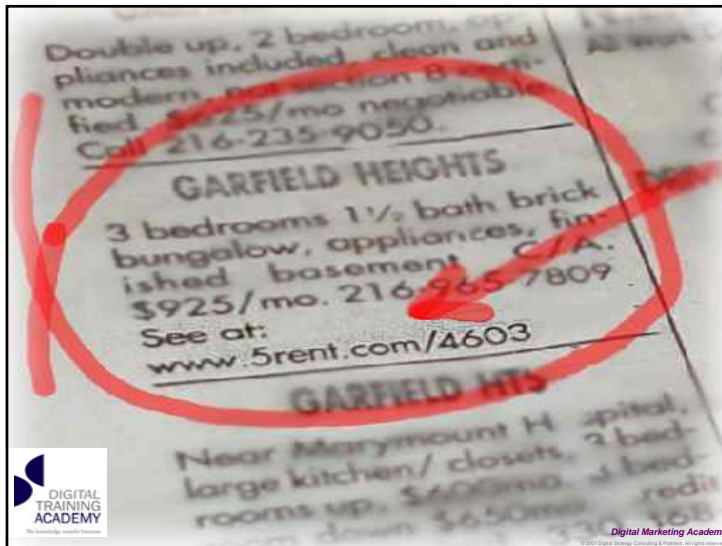
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## But what about the role of TV?

TV + Search = Brand Activation

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The knowledge transfer business

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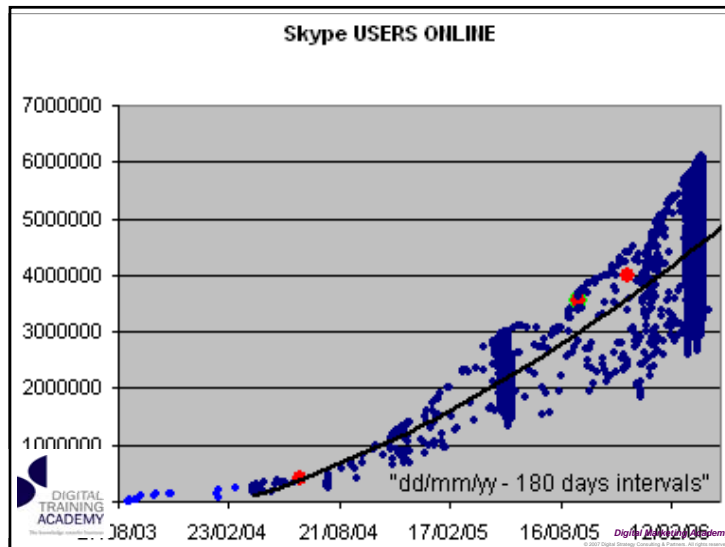
➔ **Is the media model changing?**

**Web 2.0, new models for marketing, the tale of two Tims, and the Digital Networked Society**

DIGITAL TRAINING ACADEMY  
The knowledge transfer business

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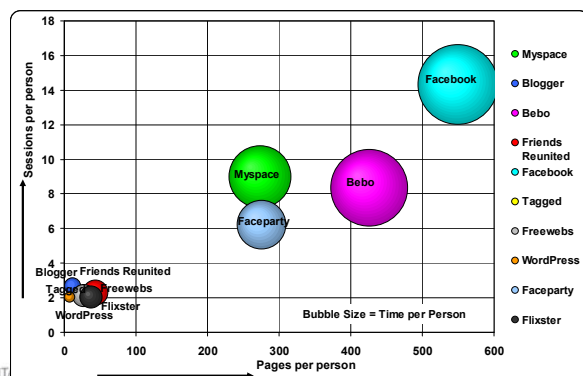
## Web 2.0

- A broad collection of recent trends in Internet technologies and business models
- Particular focus given to
  - user-created content
  - lightweight technology
  - service-based access
  - shared revenue models



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## Engagement: New insights from Nielsen//NetRatings



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➔ **Which brings us back to -  
The scale of change**



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## Scale

Get your focus in the right place

- Consider your real marketing mix today
- Websites are the starting point in most customer journeys
- Web communications supports complex decision making
- Web communications is typically radically under-invested in



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## Implications & takeouts



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## Takeouts

10 implications

Digital's 5 things that get replaced

1. Diversity and self-expression replaces conformism and unity
2. The media of the masses replaces mass media
3. Granular insights and data replaces generalisation
4. Engagement replaces interruption
5. Conversations in marketing replace control

Digital's 5 things that get created

1. Empowerment creates customers in control
2. Digital channels create time
3. Time creates communication opportunities
4. Opportunity creates competitive advantage
5. Transparency creates accountability

And hurdle the barriers of choice, measurability, targeting



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## Bridging the gap

Digital's 5 things that get replaced

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Get in touch!

Harnessing the brand effect  
Mail me more of your questions

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Making sense of  
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