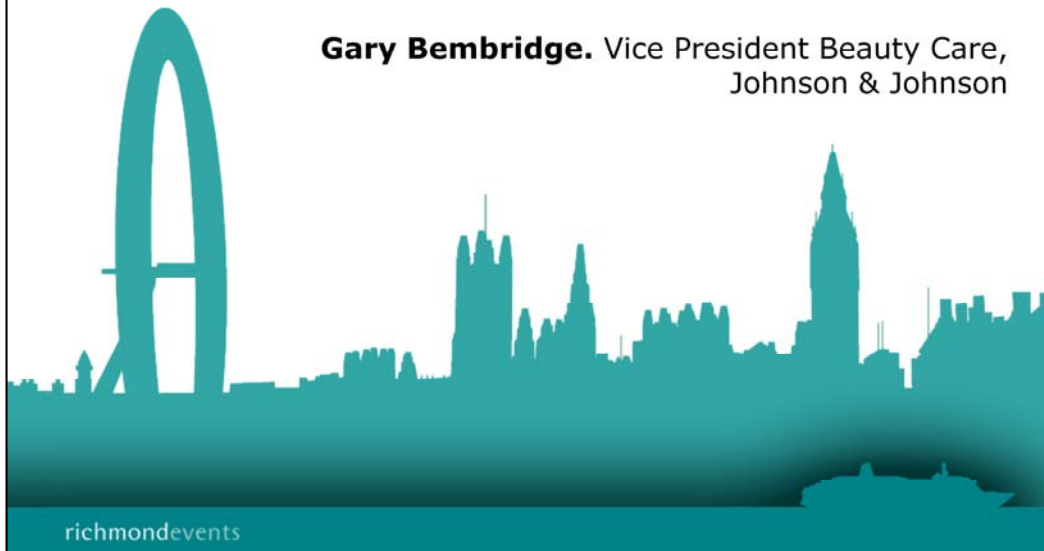


# Digital Fundamentals: For the confused and uncertain

**Gary Bembridge.** Vice President Beauty Care,  
Johnson & Johnson



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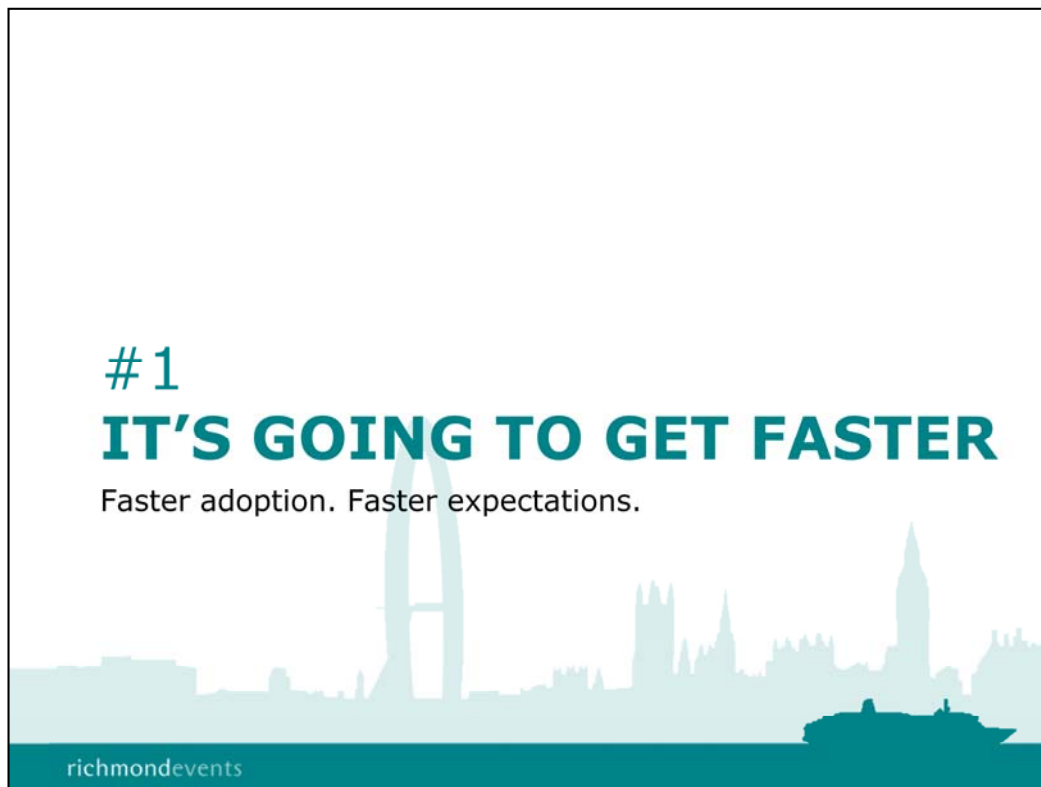


Many people coming to digital marketing and the digital space get very nervous and concerned. It feels like a scary and different world to the one they grew up in where there were limited number of commercial TV channels and much simpler and clearer media options to get the message out through.

There is a fear and dread that everyone else knows so much more about the digital world, that you are “behind the curve” and that fear of the unknown often means that managers stick with what they know, and expect the younger people in an organization to find the way. That will not happen, and in this short session I hope to explain that more.

There are 3 key things to understand about the new digital world. Things are so fast moving and so dynamic that you do not have fear. As there is not a lot to be gained by looking back at what others have been doing, while it may be interesting to look around and see what others are doing that is likely to be fast or soon to become out of date.

So you have to look forwards. You have to define what is best and right for your target consumers, and apply the fundamentals of all good media decisions: what does she want? What does she want? Where does she want it? When does she want it? How much does she want to pay for it? Here are 10 things I have learnt that may help you get there.

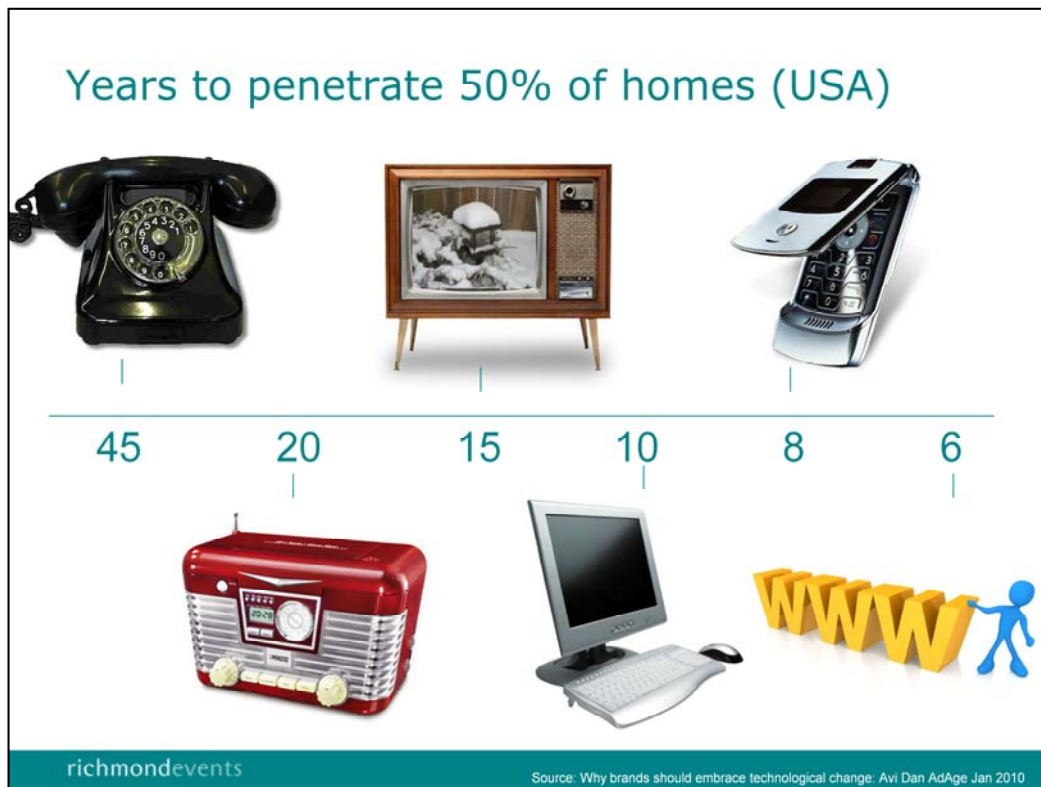


#1 It's only going to get faster and faster.

The pace of adoption of digital and the speed of digital means that new tools, new ideas and new forms can spread like a wildfire. They also can also fall out of fashion just as fast – as MySpace found to Facebook for example.

You need to understand that things will only move faster and faster.

Let's consider this:



This chart shows how many years it took for each of these innovations to get into half of all households in the USA.

As we can see the penetration of technology is getting faster and faster



It took 6 years (as we saw on the last chart) for the internet to get to 50% of households.

And since then things have got even faster!

Consider that these 5 tools and channels that many engage with and use every day did not even exist 5 years ago.

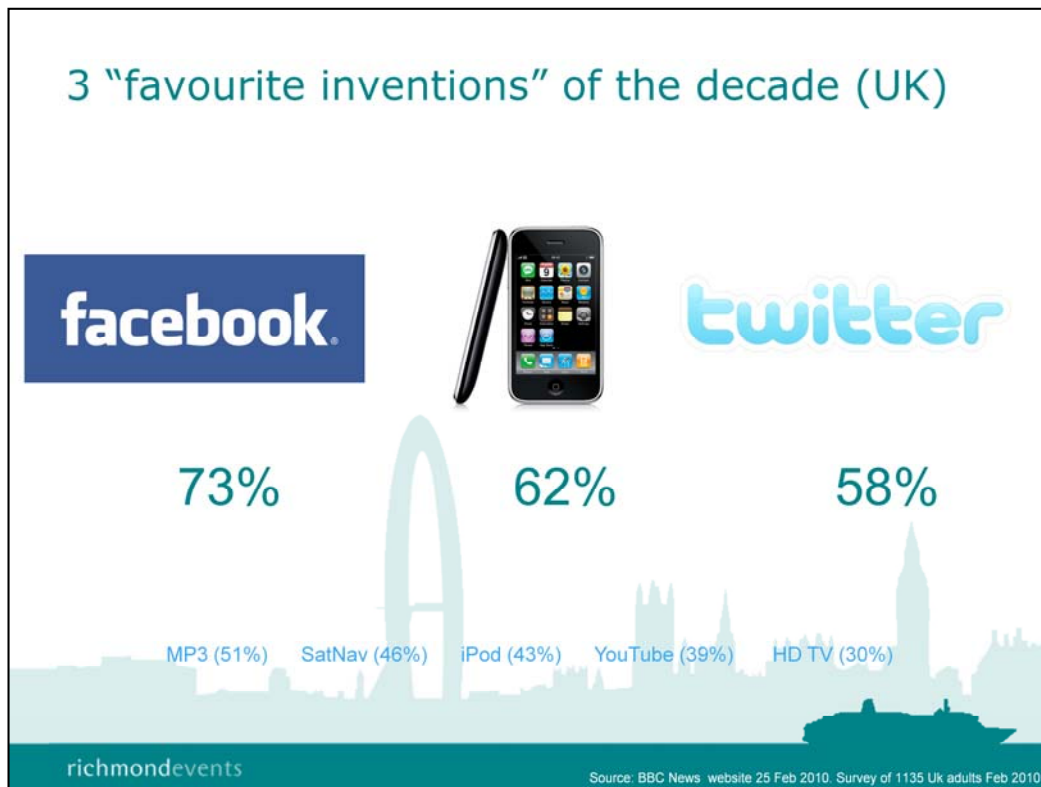
Facebook

YouTube

Twitter

iPhone

Hulu – this is the biggest online TV and film on-demand service in the USA. In the UK consider BBC iPlayer. This too did not exist 5 years ago and now is a monster in usage



I mentioned that many of these tools, services and channels did not even exist 5 years ago, but not only that they are seen as important and significant.

In a study in the UK, people were asked what their top 3 most favourite inventions of the decade were. That was not just digital but anything.

The top 3 were all very much digital related:

Facebook: 73% of people had that in the top 3

iPhone: 63 % had that in the top 3

Twitter: 58% had that in the top 3

But also look at the next 5 and we will see all are digital related: Mp3, SatNav, iPod, YouTube and HDTV

As an aside, some of the lowest rated inventions were Leggings 8% and Jedward 2%

How do you deal with this? The biggest not the lowest rated inventions of course! More on that later, but think CONTENT not delivery channel is the short answer..



Fundamental #2 to remember is that now digital is mainstream. Everyone of all ages and all social levels are using it. It is no longer niche..

As we saw in the last section, penetration is huge. Adoption of new channels and forms is huge. It is no longer the preserve of niche targets.

Whoever your target is, it is likely they are active digitally.

Even your Mum and her friends are.

And the peer pressure is large.

For example. My partners 65 year old mother had felt compelled to get online as she found all the members of her local Women's Institute (all well into 60s, 70s) were online and sending out meeting details by email and she was not able to stay connected!



I saw this on AdAge last month where they were listing the 10 biggest and most important brands of the baby boomer generation, my generation born in the 1950s and 1960s, who are all in their 40s and 50s.

They listed Facebook as one of them! Saying the fastest growing user groups in Facebook are in their 50s and above.

I have been a Facebook user for ages. I love. Who here is a regular Facebook user?





The 3<sup>rd</sup> key fundamental that I always try and remind people I work with, including the legal people we work with, is that YOU don't entirely control if and when you go online. You are already online, the decision you have is how much you want to engage with your existing online presence and how much you want to push out.

Even if you don't have a plan to be online, you need to keep up to date with what your presence is.

Have you ever "googled" yourself? Many people are surprised when they do just how much information there is about them online. The same is true of brands and companies. Even if you do not have a strategy and plan to be online, you must understand what is out there through reviews, blogs and other content posted by consumers or other groups. Then you need to decide what you will do. Even if nothing. But keep up.



Here are a few examples to illustrate

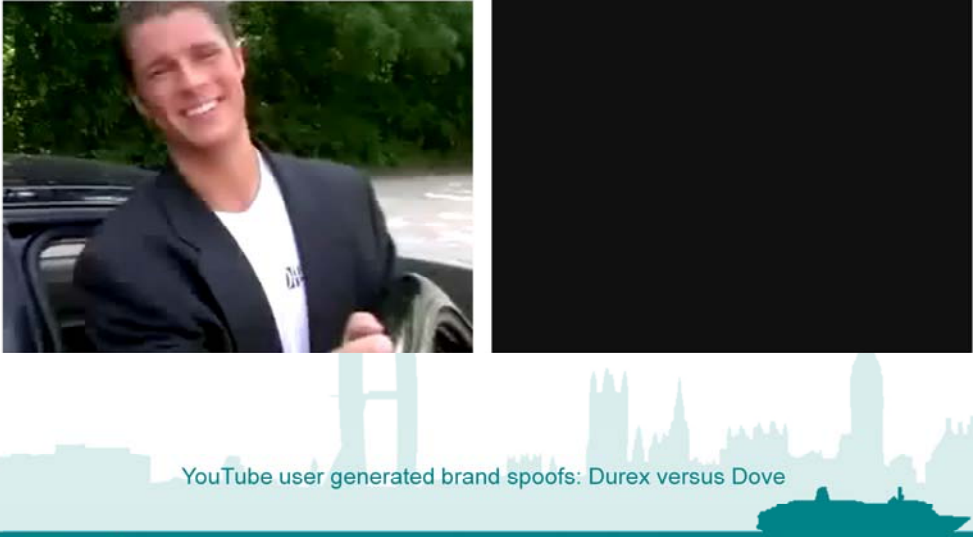
The one on the left is a screen grab from Flickr, the photo sharing site owned by Yahoo. You are likely to find photos of your products or services in here. This is one that someone posted of them at the London Transport Museum. They clearly keep an eye on photos being posted and comment on them, thanking people for visiting and asking them to add them to a group of photos they manage online. People feel really good.

Heathrow does something similar with Twitter where they track people tweeting about Heathrow and reply with suggestions like how to check on a flight or something, or welcoming them to the airport.

The middle is a posting I did about the new Eurostar lounge at St Pancras when it opened. I had some comments and criticisms. Within one hour of posting, I had an email from Eurostar thanking for the posting and commenting and adding to the issues raised. I tested again a month later and the same happened.

The 3<sup>rd</sup> is a screen grab from Facebook. I searched groups for Abercrombie & Fitch and while there is one official one run by the company there are some 209 other groups also about the company and brand. Many have 20000 or more members. Do you know if and how many Facebook groups there are on your brands? Do you track and engage with them? I found a "RoC Rocks" one and we post latest ads and links to latest launches on there now.

Your brand is already active digitally.  
You better know about it. And what you will do.



YouTube user generated brand spoofs: Durex versus Dove

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YouTube is a site I also really encourage teams to track.

The statistics are incredible. Something like 15 hours of video is posted every minute, and there is more user generated video content on YouTube than the TV networks have made in the last 45 years.

On the site people post reviews, commentary and responses to the things you do. I have a real interest in what we can learn from user generated content and have blogged about this a great deal.

But take these 2 examples.

One is a spoof ad about Durex condoms and the other a comment on Dove Real Beauty accusing the company of being cynical and manipulative. Both have had huge amounts of views and have been forwarded on and commented on and discussed.

If you were either of these companies, I am sure your legal teams would have some issues about copyright or trademark or similar issues but as you watch I ask you to think if these were your brand:

- Do you think you would even know they existed? Do you track
- What would you do? Do you have an agreed approach?

Your brand is already active digitally.  
You better know about it. And what you will do.



One of the biggest missed opportunities initially: 88 million views + 520K comments and counting

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It is easy to often overlook the impact that video on YouTube can have and how fast it can spread.

A dramatic example is Susan Boyle on Britain's Got Talent in 2009.

This is a very dramatic example, and probably is THE most successful example of how a video on YouTube change the course of a program and also a person's life turning them into a global star.

It is important to remember that the clip was posted by people watching the show and also by ITV without understand the impact, and for a while they made no money off it as they had not thought through the related ad on or around the clip.

The learning from this experience is a dramatic example of the importance of the next fundamental I have learnt.



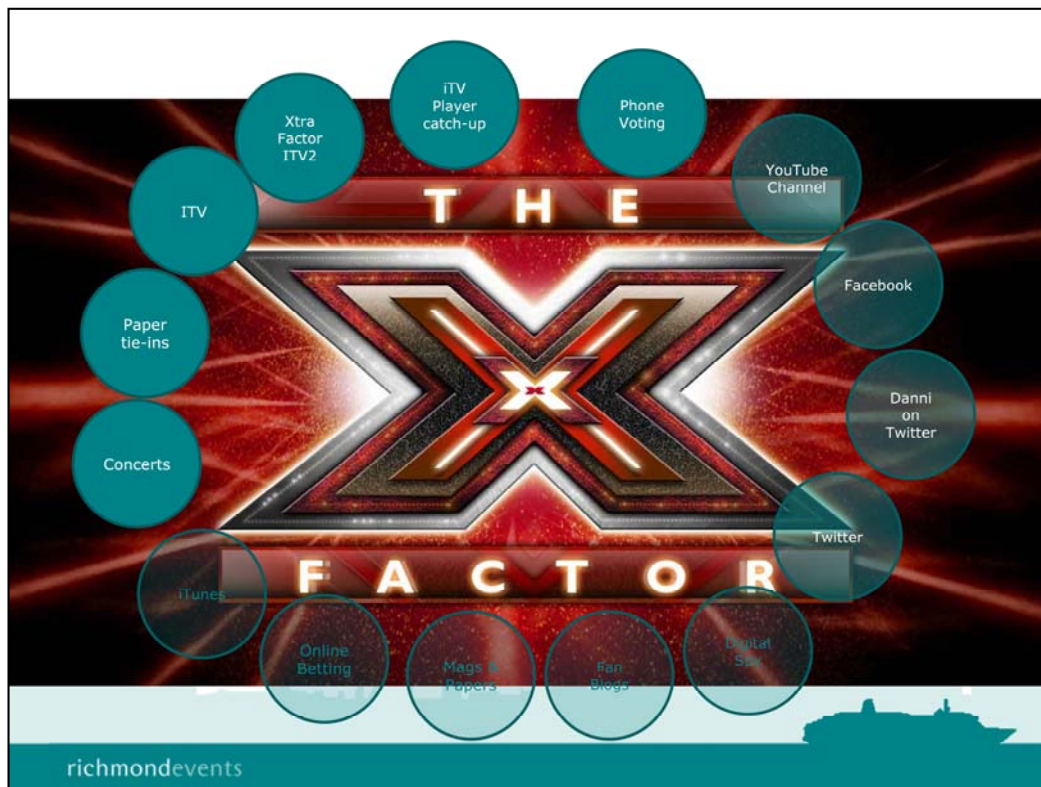
Fundamental #4 is about thinking always about your consumer leaning forwards and wanting to get and be more engaged.

The days of your consumer sitting back passively absorbing and receiving in passive mode are gone.

Let's think about TV as that was probably one of the most passive ways consumers would receive your message. They would sit back on the couch and let all the ads wash over them, absorbing the messages sent to them

That is all changed, and consumers lean forwards and do not just sit back

Let me show you an example. This one is for X-Factor. You think of the show on Saturday and now Sunday nights.. But it is so much more



As a fan of X-factor you no longer have to lean back and consume the talent show.

You can multi-task, express opinions,

-follow the judges (Danni for example send tweets during the as breaks),  
you can vote,

--you can bet,

-- you can post and follow on Facebook live (we used to check on Facebook what our friends were thinking about the songs and acts

- on Digitalspy (a celebrity and industry news and gossip site) there are forums and news to express and engage in forums

-Live blog on Guardian where people would comment as the show progressed

- then there are ways to experience such as the concerts, magazines and on and on

-This may be a dramatic example... but you need to think about how you want to engage. Later on I will show a video made by Microsoft about the changing nature of communication which also explores this

-Think LEAN forward not SIT back..



So how do you make sense of all of this?

If you want your target to lean forwards, what should you do? What should you consider.

For me the next Fundamental I learnt helps.

#5: know what works online, so you can give your target what they want to do.

Almost 10 years ago, when I was the VP ebusiness and digital strategy, I wrote an article about what works online. I think it still applies today – as it goes beyond the channel, beyond the specific execution and focuses on the THINGS that digital online really does well.

There are 4 things..



Think like a consumer, even when you walk through the office door

4 activities work



Interaction      Transaction      Research      Entertainment

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INTERACTION

TRANSACTION

RESEARCH

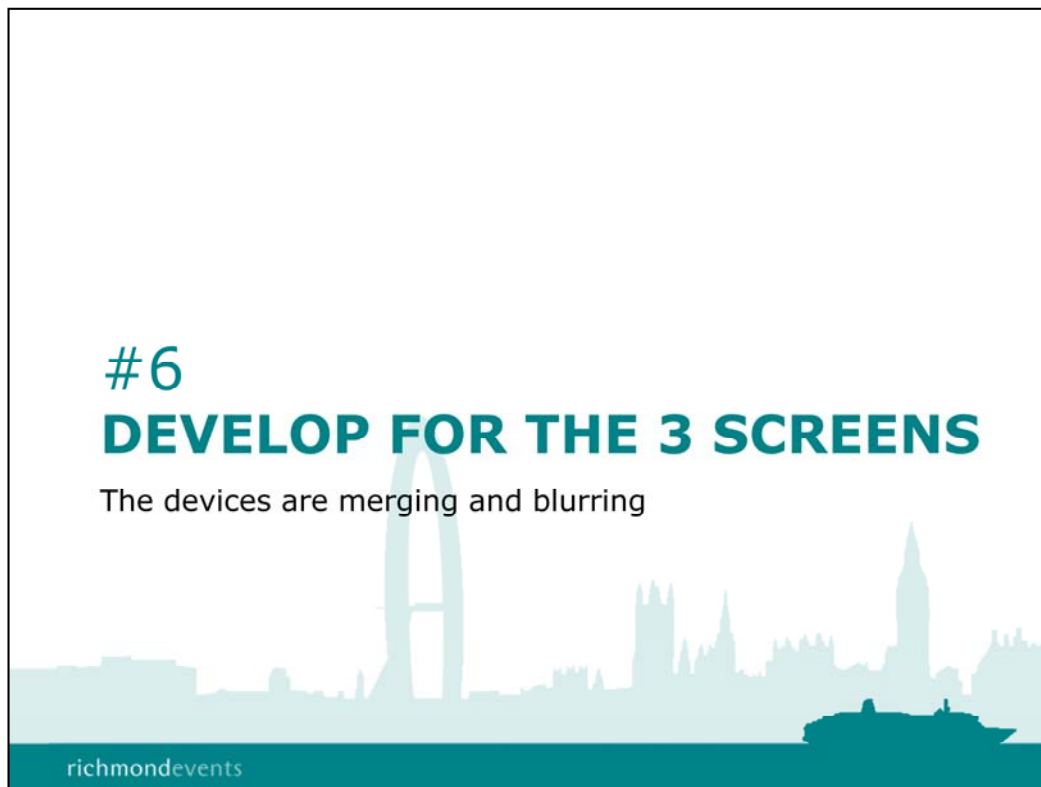
ENTERTAINMENT

Let me explain more

- Interaction. People are social animals and digital has facilitated this. Faster. Easier. Real time. Email is still one of the biggest but chat, Skype, Facebook, Twitter and most of the most well known tools enable this.
- Transaction. This is not just about buying and selling things, but also for things like banking or even trading information and items. Again digital makes this faster, easier, convenient. eBay, PayPal and other transaction tools have become big as a result.
- Research. Search is the biggest, hence Google and the battle for owning search. But also covers learning, and finding out about products, hotels or whatever.
- Entertainment. We have seen how gaming, streaming, porn and other tools and sites have prospered.

For me thinking if any of these apply to your offer is a start. Think like a consumer when you go to the office. So many people start with “we need a website” instead of what are our target doing, and how can we meet that need better..





This next fundamental is about thinking about how you execute what you decide to do

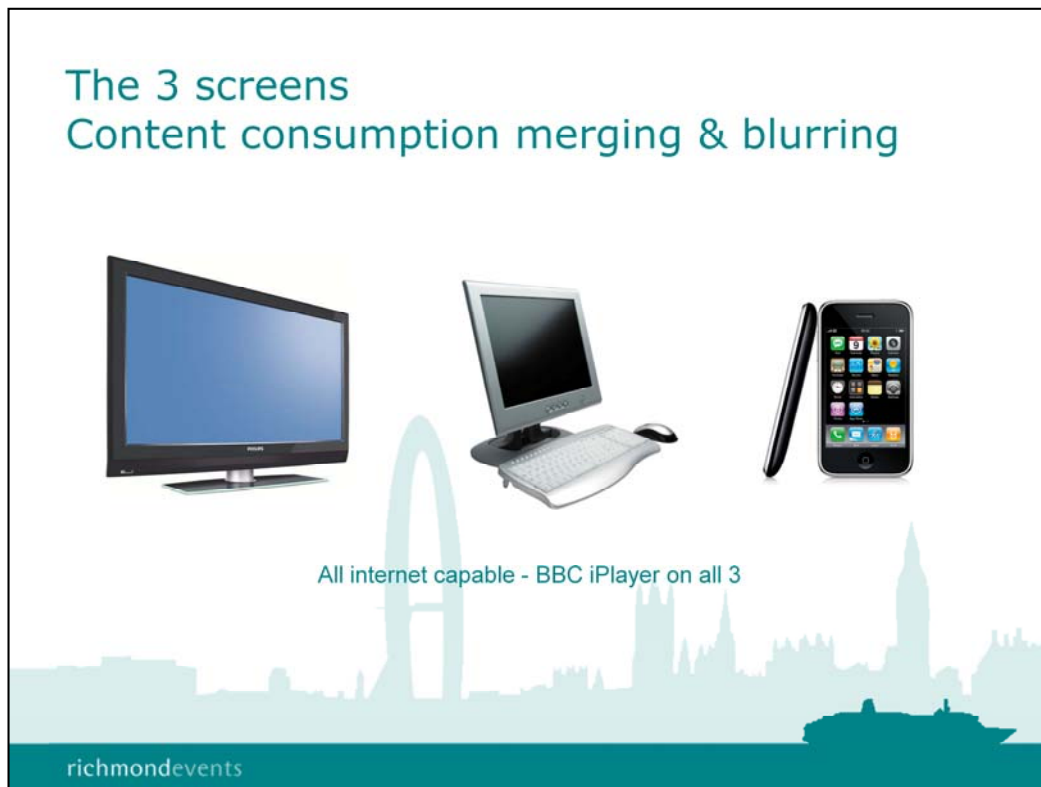
#6 develop for the 3 screens as they are merging and do not be too tied to one.

As we saw in the last fundamental, it is important to think about WHAT your target wants to do and not get too hung up on the format or the execution, That comes later.

One of the podcasts that I listen to often called “marketing online live” raised this idea – which I thought was very profound

Their point is the “3 screens are merging” so focus always on what you want to do and develop so they not only work across all but assume it may all be consumed on one..

What are the 3 screens?



- The TV
- The PC
- The mobile phone – increasingly become the “smart phone” like iPhone

If you think about the BBC iPlayer, that will soon be able to be consumed on all 3 screens. It can already be watched by Virgin cable users on the TV (and with more TVs being internet capable on any) – you can watch it on the PC and an App launches in April to watch on the iPhone.

YouTube can be watched on all 3, currently if you have a internet access gaming console on your TV

Consumers can and will access your digital content on many screens, and also screens may soon start to merge into one.

So again think like the consumer and think about your content and how you deliver for a merging screen world

## The mobile: our future remote control?



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And if you were placing bets...

Think of the mobile phone as increasingly becoming the “remote control” device for life

Remote control as you can INTERACT by email, Facebook, instant messaging, text etc

Remote control to TRANSACT as micro-payments take off, or even by going online

Remote control to RESEARCH as location based services grow pushing information local to where you are, to search for what is nearby, for GPS services

Remote control to ENTERTAIN on the go through games, watching videos or reading books

As one ad on TV says: the only thing that is always within arms length of you almost all day every day is your mobile phone. Makes sense then that this has to be the way of the future, doesn't it?



Following on from that, the key thing about a mobile is that it is always at hand, always handy.

This is not that far a thought from my Fundamental #7: Go to them.


Be where they are, as it is not very likely that they will make an extra trip to come and see you. A bit like that friend you never quite get to go and see or call on, but if they are at the events you are at then you see them.

There are something like 18 million active websites and yet still I hear when many people talk about a digital strategy they talk about having a website.

Early on I learnt that you need to focus on content and you need to make sure it is where your core target is.

Let me give you a small example based on my own personal experiences of my own personal activities online. As this was probably what really drove it home for me.

**Right content in right context at right time.**  
Just like when you place your "traditional content" in any other media



**YouTube**  
3 million view in 18 months

**iTunes**  
100000 downloads a year

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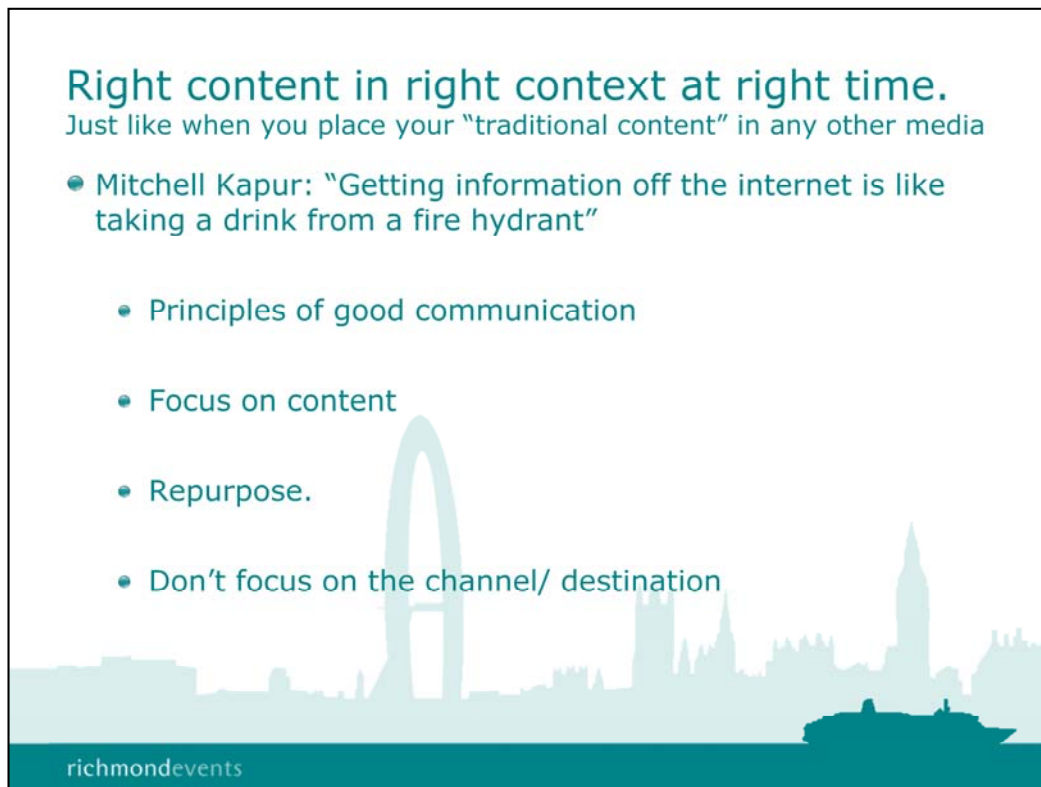
I am an active poster of videos to YouTube. I largely did it to post things and places I had visited, and then something happened that made me learn fast.

I got an email from YouTube one day asking if I wanted to be a partner, which meant that they would place ads alongside and in my videos. I thought nothing much about it, and then started to receive monthly cheques of between £500 and £1000 from then.

I then realized that my little home made videos made on my little Panasonic camera were getting millions of views. This one here of one of the rollercoasters in Las Vegas has well over 3 million views. I then also realised (as you can get the data in the reports) that the video was being embedded into blogs about rollercoasters and traffic was huge. It cost me next to nothing to do and yet people watch it and revenue flows. Compare to a video series one of our teen brands did that cost £100K to make, was posted on our own site and got less than 20000..

Another example is I started doing a podcast series about places I visited, which record on my iPod (and now iPhone) and placed in the travel section on iTunes. I found I get 100000 downloads a year. As it is in the right place were people come.

Small examples but shows the importance of being where people are to get traffic and more importantly where people are looking. Be at the party, don't try and start one of your own!



As this chart says, think about it as you do with so called "traditional media". When you created an ad you did not start your own TV station or magazine or radio station. When you create a product you only created a store if it was part of the experience and offer – but in most cases you go through existing channels.

Michal Kapur had a great thought as on this chart. In order to cope consumers need help and part of that is going to places where there is some order and structure. So think about being in those places that help them do that.

By focusing on the principles of good communication and ensuring your content is the right content first and then think how you can repurpose it, and deliver it where people are.

If you focus on the channel or in creating a destination you may be putting effort in the wring thing, and spend a pile of money on a party hardly anyone comes to...when you could have been the life and soul of the party that everyone was at!

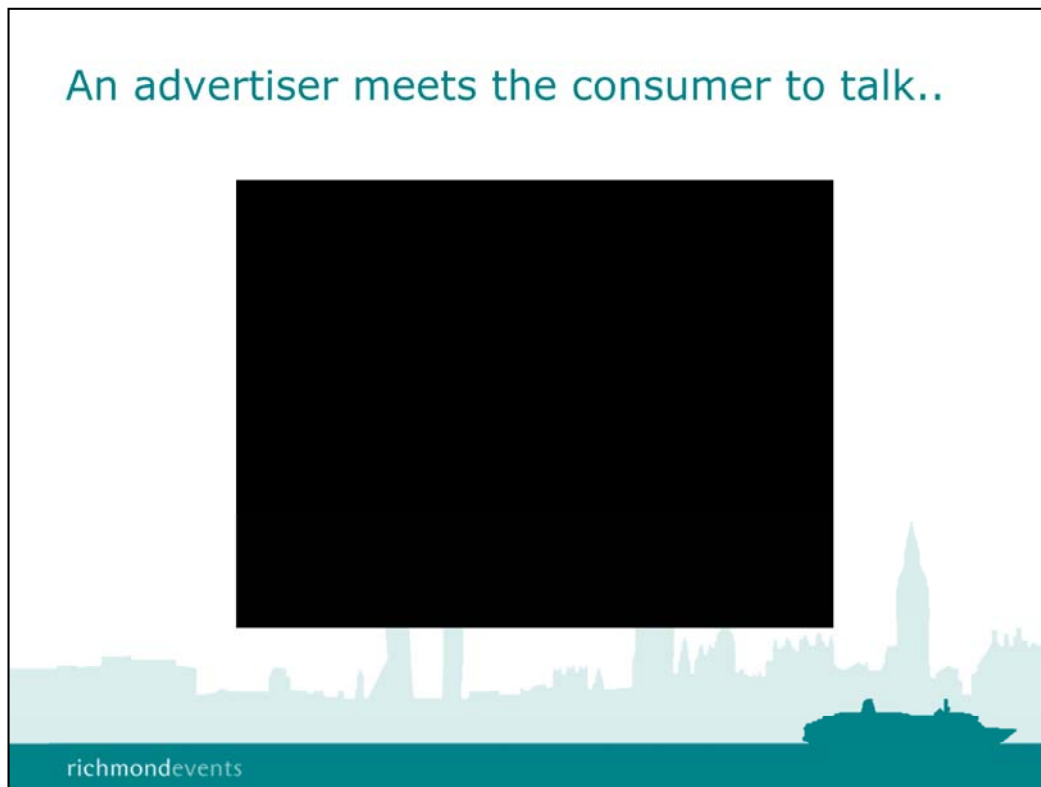


The thing I hear almost as much as “we need a website” is “we need to build a database”

No, that is not what you need.

What you need is to build a FAN BASE. By thinking like this you will think of and drive and deliver something very different indeed. As this starts with the idea of a relationship and of listening and engaging and rewarding.

Let me show you a video that Microsoft made that shows a meeting between an “advertiser” and a “consumer” that illustrates some of the risks of seeing a consumer as someone you want to classify and talk to



Interesting.

In this is is about talking to. Thinking of them as a statistic. Not engaging with



## Creating a fan not a number

You are dating not married for life, keep them keen or they get mean



- Listen
- Fast & Immediate
- Personal/ Personalized
- Relevant & Context
- Don't spam
- Respect Privacy

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The key is to create a fan and not just a number that you market and talk to. Consumers no longer want to be just another number.

Facebook understood this when they created “Fan Pages” where brands and businesses can create a fan page and you can become a fan, and then post news, let them comment etc.

In building a fan base there are some key must dos:

**LISTEN** – encourage feedback and discussion. Let them comment.

**FAST/ IMMEDIATE** – consumer are used to a digital age where you get what you want fast. You need to be timely and respond fast

**PERSONAL/ PESONALIZED** – gone are the days of the blanket email or offer. One example is Tripadvisor. I searched for hotels in Prague as was considering a weekend away, then in my next



This next one may sound a bit strange to some, but I think is possibly one of the most important of all

My fundamental #9 is Take it from the Top. Unless the leadership of your business really, really wants it then it will never really happen. They need to do more than just ask for a digital strategy, plan and activity – they need to love it, live it and do it.

In the dotcom boom days there was this crazy idea that it was the young freaky geeks that would change and create a digital strategy and world as they “understood it”. All they proved was that if you give them a lot of money they burn it – and burn it fast.

I had a discussion with some of my team about why some companies are further ahead than others, and I think it is all about the senior management and really making sure they not only talk – but (to coin that awful phrase\_ walk the walk ... or is it click the click...?



ACTIONS always speak louder than words.

As it says here, the young geeks may inherit the earth but it will be one leaders have enabled to be created

Here is a classic example

What if your leader says every review you have any of the above: #1 source, better CRM.. But it always comes at the END of review

After you have spent most of it looking at the TV or Print ad in huge detail right down to the bathroom set used...what they do will drive the action (and you know a one page slide with some pictures and screen grabs of your draft site will be enough for the digital area.


Unless they embrace and act you will never have a great digital strategy and plan

When I started in marketing I had an amazing boss called Paul Michels (who went on to transform Mars confectionary in the USA and world). When product managers would say things like "I don't watch TV" (which was the main spend then) he would tell them off. Arguing you will never create great communication unless you live, breathe and understand.

This is as true, if not more true of digital..

Love it. Live it. Do it. Show you care

“Where do you get the time?”



What I learnt from Facebook, Twitter, YouTube, Blogging, Analytics, Sky+, Podcasts

How do you keep up with all that is going on in beauty?

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I have learnt more about Digital by doing personally I think than professionally I suspect. Although the scale is not as great, by living and doing so much I think people understand in my team and the company how important I think it is.

One thing I keep getting asked is : where do you get the time

My answer: Everyone always finds time for things that are important.

I feel I have learnt so much from being active and feel I am better equipped to have meaningful discussions with my teams, agencies and other partners

One “aha” was also when I was asked how I keep up so much with the beauty industry and what is happening, as the teams struggle to do that as is so fast moving, complex and so much going on.

I realized it was as a result of my online activities as have found through blogs, facebook, twitter, youtube and all the things I engage with that I have woven in my professional interests too. Like here and L'Oreal

By using you get a feel, an understanding and feel less exposed and uncertain. I think this is really key.



And so to my last fundamental #10

This is where I started this talk

The best way to think about digital is that the present is the past. This is great news.

You do not need to worry about being a follower, about being too late.

Things move fast. You can get huge traction very fast with the right moves

People have managed to ensure there are big parties of your target in destinations – you need to focus on how to connect and communicate with them.

- You can't look back.
- You could look around.
- You have to look ahead.
  - Give them what they want, where they want it, when they want it and how they want it.

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And so LOOK AHEAD

Use your marketing skills and your understanding of your target. Not the channels to define what you need to do

Focus on

What does my target want?

Where do they want it?

When do they want it?

How do they want it?

Once those are answered then execution is so much easier. You then innovate around how best to deliver....

## 10 Fundamentals for the uncertain and nervous

1. It's going to get faster
2. Everyone is doing it
3. You are already out there
4. Think lean forwards
5. Know what works online
6. Develop for the 3 screens
7. Go to them
8. Create a fan base
9. Take it from the top
10. The present is the past

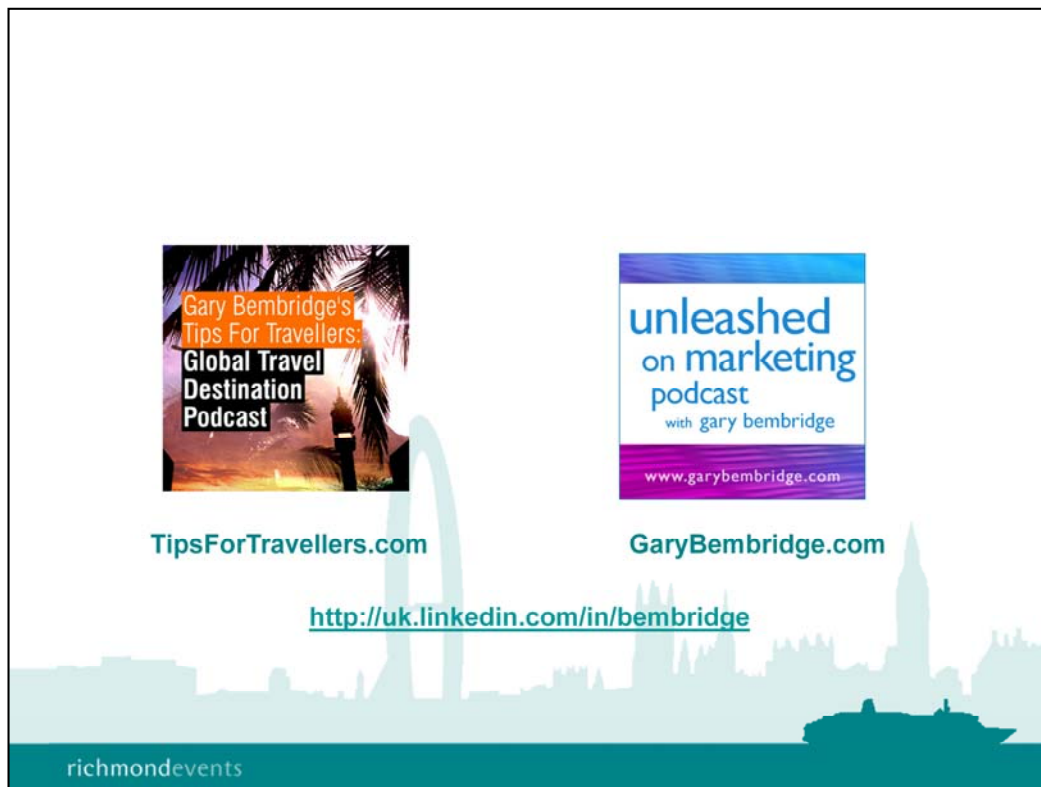


As you think through there are these 10 fundamentals or learnings or principles to consider

But its mostly about using your marketing skills and consumer understanding to focus on meeting their needs.

That is all. The rest will follow

Thank You



If you do want to keep up with what I do, you can visit and sign up for my blogs

Or follow me on Twitter @garybembridge



# THE DIGITAL MARKETING BRIEFING

## 17<sup>TH</sup> MARCH 2010

