

Getting Serious about 360

The promise of 360 communications is significant but elusive. While the economic power of a great brand idea projected through a coherent voice across channels seems to be beyond debate, much work remains if the promise of 360 communications is to be brought to fruition. It is vital that marketers grasp this nettle now before the pace of change turns the task into one of gargantuan proportions.

M I L L W A R D B R O W N ' S P O V

S e p t e m b e r 2 0 0 8

The 360 communications discipline has made a big promise: to deliver more cost-effective brand building through integrating the activities of all communications disciplines into a single brand voice. However, while marketers believe in the concept, they admit that the promise is not currently being delivered in practice. A 2007 survey by the American Association of Advertising Agencies reported that 54 percent of senior marketing executives believe that the development of integrated marketing communication is "very important" to success. What is telling, however, is that only 21 percent of those surveyed said that their organizations were delivering on this objective "very well."

One of the biggest challenges impeding progress toward this goal is the need to manage an increasing and morphing number of specialists. These experts are necessary in today's increasingly complex world, but marketers need considerably stronger mechanisms for getting the most value from them.

We believe that the promise of 360 communications will be realized most fully by those brand companies that truly take ownership of the responsibility. Companies that combine a comprehensive understanding of their consumers with detailed information on their marketing investments will set themselves up for a profitable future when they elect to oversee the critical task of 360 communications.

And they must do this now, before life gets any more complicated.

The Importance of 360 Communications Control

The central premise of 360 communications is that all brand contacts matter and should be considered holistically when spending marketing money. Ergo, no one set of contacts (e.g., advertising, direct, interactive, experiential, retail) should be planned, developed, implemented or evaluated without reference to the whole.

But standing between a brand marketer and a consumer's holistic experience of a brand is an increasingly broad array of specialists. As the number of separate channels has grown, specialties within specialties have developed, such as mobile communications and gaming within the realm of digital.

This is as it should be, because each area has its own complexities that demand expert attention. Within media planning and buying, for instance, a hot question is how much money should be taken away from TV and invested in multimedia and digital opportunities. Developing creative tailored to each specific medium is of



Sue Elms

Executive Vice President,
Global Media Practice
Millward Brown
sue.elms@uk.millwardbrown.com
www.millwardbrown.com
www.mb-blog.com



paramount importance since the quality of creative execution can dramatically influence effectiveness. For example, the ad awareness impact of one audio-visual ad on television can be 30 times greater than another and indications are that the same factor applies for online. Poster recognition scores vary between zero and 40 percent and recall of online ads can vary between zero and 20 percent, mostly based on creative power.

Given that there is only so much budget to go around, it is only natural that individual specialists will focus on maximizing their part of the communications mix. So who is looking across the big picture? And who is in the best position to decide if the brand will be better served by redistributing the media budget or addressing an issue through PR or customer communication? Holistic planning and control are necessary to ensure that all parties are working together, not operating in silos.

Organizationally, the solution seems to be a central 360 communications management function where the agendas of individual silos are suspended and the central brand concern — cost-effective brand building — comes first.



The central premise of 360 communications is that all brand contacts matter and should be considered holistically when spending marketing money.

Who Should Own 360 Communications Management?

An August 2008 article in *Marketing Week* reported that Procter & Gamble was exploring the idea of appointing a lead agency for each of its major brands. This lead agency would coordinate with other agencies working on different marketing disciplines, including PR, advertising, customer relations, and media buying. To pilot this, Publicis Groupe created a consortium in early 2007 to handle all activities for the Oral-B dental hygiene brand.

We see this as a healthy step for P&G, but we believe it should only be an interim measure. For a number of reasons, we believe that the most potent solution would be for brand companies to take the role of managing 360 communications in house. First, this central function needs to be close to the brand yet impartial in terms of communications technique. The ultimate question with regard to communication is simply, “What’s the best way to reach people?” Next, those who manage 360 planning must serve as both evangelists and policemen for the central communications idea, and should not be distracted from these roles by the complexities of working within one particular channel. And those in charge of holistic brand communication must have a thorough understanding of consumers’ view of the brand. Clearly, someone within the brand organization fulfills these requirements better than any specialist.

Most importantly, a client-based coordinator will be closest to the only source of fully allocated brand investment in each type of activity, i.e., the total cost of each activity including production, media, management, agency fees, etc. Holistic 360 communication is about creating a connection with the consumer using the most cost-effective means possible; cost-effectiveness cannot be evaluated without knowledge of the fully allocated cost per connection. Lining up the cost of each activity with evidence of return for the brand and



the business is not impossible, but it does demand tenacity. That tenacity will produce significant rewards if a new initiative is found to create a better return than historic activities.

Jim Taylor from Mediaedge:cia concurs that while initially responsibility for 360 communications planning may sit with any one of the plethora of specialists — media agencies, communication independents, ad agencies, integrated below-the-line agencies, management consultants and even research agencies — ultimately brand companies will come to own it. In an article about the future of communications planning (*Admap*, May 2006), he said “Clients will start to want to pull control back from their agencies and, for many, communications planning may prove to be the mechanism for this.”

We agree that communications planning is simply too big and too central to the marketing function to be delegated to an outsider. But the other reason that clients should take over this role is that only the client will have access to a real 360-degree view of the consumer and the true communications investment.

Given that there is only so much budget to go around, it is only natural that individual specialists will focus on maximizing their part of the communications mix. So who is looking across the big picture?

360 Consumer Research Forces Integration and Drives Efficiencies

Successful 360 communications put the consumer at the heart of all efforts, with a focus on obtaining a cost-effective consumer response. It is the consumer who is the real “integrator” of 360 communications, and only consumers can tell us or show us how it is all working — that is, what all the different brand contacts are making them feel, think and do. The only way to understand this in a way that can inform business decisions is through genuinely holistic insight and evaluation. If you don’t take all brand contacts into account when you are evaluating activities, you cannot



accurately separate the influence of individual contacts, and you risk misreading reality and misdirecting spends. This best practice should be put in place even within silos, although this birds-eye view is most effective if centered within the client. There, it can encompass all disciplines and force them to come together as a team to drive efficient brand building.

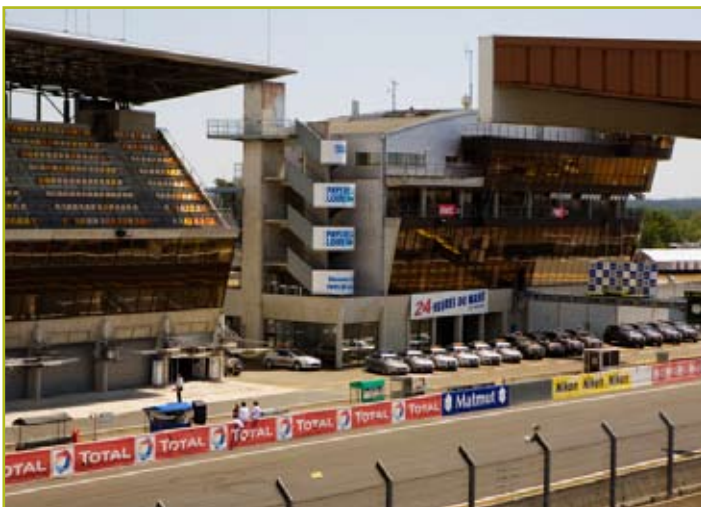
Fortunately many of the tools for the job are already in place. Market mix modeling links a wide range of historic marketing activities directly to sales response; it covers the more significant spends in the different communication disciplines and delivers a bedrock of marketing understanding and performance benchmarks for the brand. In a shorter time scale, multivariate analysis of well-designed tracking research effectively disentangles multiple and more granular influences on attitudinal indicators of success. Our proprietary CrossMedia approach separates the relative effects of a wide range of managed communications while also taking many other influences into account. These might include what people experience of the brand and service, what they hear from other people and sources about the brand, and what retail marketing activities they encounter. Within each of these broad areas, it looks at the influence of key activities of interest to the marketer, which might include customers’ experience



of a new telephone banking service, the recent furor about short-selling the financial markets, a new direct mail campaign, or a new video campaign on the Internet. The holistic emphasis is vital because an accurate read on the effectiveness of managed communications would have to take into consideration a possible negative influence from recent public commentary as well as any potential positive effect of a new customer service initiative.

In the future, these models will need to incorporate new data streams at different points: new engagement indicators such as social comment, forward-pointing sales indicators such as search, brand Web site interactions such as booking a test drive, and price comparisons. The pace of research will speed up since all this information comes from the Internet as a continuous stream of “live” data.

It is the consumer who is the real “integrator” of 360 communications, and only consumers can tell us or show us how it is all working – that is, what all the different brand contacts are making them feel, think and do.



Delivering the 360 Promise

Delivering the 360 promise in the future will require a mix of structural discipline and research support. Neither one alone will suffice.

Improved research techniques will make it possible to understand consumers and evaluate their response to communications across a wide range of influences spanning all communications disciplines. This research will provide a supportive backbone to a 360 communications management function, giving the function the knowledge and therefore the power to better manage a wide range of communications specialists. Then there will be a real chance of increasing marketing efficiencies and making integration happen.

The best place for this function is within the client. Specialists who takes on the integration role might overlook the most effective brand-building choices because of the distractions they face in their own specialties. As Jim Taylor predicts, “Communication planners in client organizations will be highly empowered individuals who will genuinely transform brand communications.”

Do it Now

Our plea to our clients is, “Do it now.” Get central control in place before the world gets even more complex. Before long there will be more types of brand content; more micro-messaging to tighter targets; more micro-activation activities in more places; more ways to search, compare, ask for information, or even play with a brand; and more outlets to evangelize or complain.

Investing in the research and technologies needed to incorporate everything as it exists now and as it begins to appear moving forward is the only way to keep up with the rapid pace of change.

To read more about 360 communications, visit www.mb-blog.com.