

The Debating Group



A Parliamentary forum for Media and Marketing Debate

Digital communication is more important than ever in building brands

Andrew Marsden, the Debating Group's chair, introduced an afternoon of firsts for the Group: its first ever Zoom debate; the debate being recorded; and that four of the Group's member bodies were participating. The debate, held on 9th November 2020, was chaired by Dean Russell, Member of Parliament for Watford, who commented on lockdown's impact on the industry and the power of communications during the pandemic, raising the motion for the debate that *"Digital communication is more important than ever in building brands."*

Proposing the motion, **Monica Manoras, Head of Account Sales at Twitter in London, representing the Internet Advertising Bureau**, narrowed the definition of digital communication to that found online. Exploring why companies cared about brand building, she highlighted that the journey to purchase is not always linear, simple or quick, and that in a world of advertising bombardment and overwhelming consumer choice, companies had to stand out from their competitors. To thrive and grow companies need their products to be well known, distinctive and memorable. The power of a brand is what makes a consumer pick your product over others.

Manoras described Apple as the world's biggest brand (Forbes) and a top spender on advertising, alongside Google, Microsoft, Amazon, Coca Cola and Nike. These companies buy the most expensive ad placements even though everyone already knows who they are. She reasoned that in a world of endless choice, they cut through and dominate because of their brand – much of their spend goes on brand advertising rather than performance advertising.

In comparing these approaches, she explained that brand advertising has broader reach, appeals to the emotional rather than the rational brain, and is more memorable – the Guinness ads for example. In the past, TV, outdoor, and print would be used to gain mass awareness, targeting everyone. In contrast, performance or activation advertising is more targeted, informative, and responsive; probably less memorable and appealing to the rational brain. Typically, inserts, direct mail, email, and (in the past) online advertising would drive an immediate action. Brand building tends to look longer term while sales activation is short-term, and she asserted that in business you need both. A strong brand drives trust in your product as well as loyalty, but companies also need to drive short-term sales. Here Manoras cited Les Binet and Peter Fields, who proved that marketers need to do both long and short-term advertising, but in the right balance. Too much chasing of short-term effects stifles growth, but too little won't generate the necessary short-term sales. Binet, believed the optimum mix was 60% branding and 40% performance but more mature brands needed a 70-30% split.

Manoras then turned to media consumption trends noting that digital is the UK's dominant investment medium because digital is the most consumed media - where eyeballs go budget follows. She also affirmed that digital is no longer 'new media' but is now very mature. Since the UK lockdown, internet use had soared with figures for April at an average 4 hours 2 minutes online each day - up 37 minutes from January. Ofcom's Online Nation report showed young adults, 18-24, spending the longest time online, averaging 5 hours 4 minutes per day. However, the highest percentage increase was among over 54s, online 24% more than in January. People spent 36% more time on social media (68 minutes per day), and 26% more time on news sites (15 minutes per day), noting that social media had long overtaken TV as the main media for the nation's young (IPA touchpoints data). On Twitter, audience is up 29% and video consumption is up 95% year on year, proving that consumers want online content in video form.

Looking deeper into lockdown's impact, she saw established brands and challengers of all sizes seizing the chance to achieve mass reach for less by using online video. She explained that digital channels are critical to top of funnel effects, awareness and reach, and bottom of funnel effects, sales, arguing that advertisers cannot afford to not build their brands online using digital communication. Likening online video to TV, a high impact driver of emotion and brands, she pointed out that online video can be scrolled past in a millisecond, so it had to work harder to capture attention. She described good short-form online video ads as being branded throughout and working with sound off; visual, impactful, and eye catching. With online video contributing to the overall brand and becoming increasingly important as people spend more media time on the internet, its revealing that John Lewis and Tesco choose to launch their Christmas ads on Twitter as well as TV.

In conclusion, Manoras acknowledged that digital communication was not the only or even the most important driver of building brands but challenged the room to deny the dominance of digital. Brand building, she continued, is important and needs to be done where consumers are spending their time; more and more that is online where both mass scale and appropriate targeting are possible. In building brands, digital communications have never been more important than now.

Opposing the motion **Mike Hughes, Managing Director of Latcham Direct, representing the Independent Print Industries Association**, agreed that brand building and digital communications are important. However, he proposed that digital has reached saturation point with many organisations using digital-only conditional convergence strategies during the lockdown. This contributed to people receiving on average 10,000 ads per day, most online or on digital devices, so that unsolicited digital messages are frequently ignored as spam. He noted that for B2B, the average office worker receives more than 120 emails a day, making it hard for advertising to stand out and easy to understand why people suffer digital fatigue. Vogue magazine recently set out new research highlighting the health hazards of excessive digital screen time, including lack of sleep and stress.

He believed that this was why brands using only digital communications find it difficult to differentiate themselves from their competitors and fail to create deep, lasting and loyal relationships. With consumers constantly bombarded by invasive online marketing, he felt many people crave physical communication and brands can use this to cut through. He told how much his teenage daughter had enjoyed a personalised Christmas mailing with perfume samples and printed materials. Similarly, he noted that in the luxury car market, online information is no substitute for a physically printed and embossed hardback book. To create impact, he feels brands need to look beyond virtual experiences and by example he asked the audience to choose between a wedding invite sent via Facebook and a beautifully handwritten invitation received by post. Digital, Hughes explained, often feels the cheaper choice and consumers believe this choice reflects how much a brand is willing to invest in them.

Looking into the way digital works, Hughes noted that brands relying on pay-per-click, AdWords or SEO, could easily be outbid by larger brands with bigger spends. What is more, information online is fleeting and can be quickly swiped away, but physical adverts last longer and pass through many people's hands. Here, he wasn't proposing that everyone go back to print but that a multi-channel

approach to brand building was the way forward, using a combination of direct and indirect, digital and physical channels. This enables consumers to act using channels of their choice, noting that 72% of consumers preferring to connect through multiple channels before purchasing. However, this complex decision-making process was disguised by the fact that purchases are often attributed solely to digital.

That said, consumers are increasingly aware of the danger of digital, including the exploitation of an individual's data. Conversely, because print is subject to more editorial and can't simply be deleted or changed, he argued that it had more perceived credibility. If trust and credibility are key brand values, Hughes continued, then physical channels are extremely important. He highlighted that digital brand leaders Amazon and Ocado are turning to physical print and mail to attract, retain and drive sales through large scale direct marketing campaigns and promotions. Ocado's 'be more demanding' is the largest campaign in the company's history, running across interactive, radio, press, direct mail, field marketing and outdoor media.

In conclusion, as the UK goes into its second lockdown the novelty of digital is wearing off: people want interactions other than digital. And far from digital communications being more important than ever, consumers are welcoming non-digital engagement with brands. It is, Hughes argued, the brands that do this well that will stand out from the crowd and reap the benefits of brand recognition and increased sales.

Seconding the motion, **Mark Cripps, formerly Chief Marketing Officer at The Economist, representing the Data & Marketing Association**, told the story of an award-winning campaign for The Economist designed to counter the brand perception among its target audience that it was aloof, inaccessible, irrelevant and 'not for me'. The board wanted to look beyond the usual purely analogue 'dead tree' media channels where the impact and commercial returns are often considered onerous to measure, difficult to attribute and wasteful. Cripps explained that, working with the Data and Marketing Association, they established five facets of intelligent brand marketing. Firstly, targeting: is the brand message targeting the right audience? Unlike most media channels, digital allows laser specific targeting using techniques such as propensity and lookalike modelling that helps minimise wastage. Secondly, addressability: can the communications deliver personalised brand messages that reflect the consumer's stage in the buy cycle? Unlike other channels, digital media enables effective personalisation of messages at scale to reflect what is known about people and their purchase context. Third is engagement: can the marketing channels tell a brand story? In digital's early days, it was argued that it was only effective in tactical implementations and didn't have the reach, scale and impact to move brand needles. Now we know that digital does have scale and can facilitate brand storytelling with impact and emotion. Fourth is agility: can the creative assets quickly adapt to audience reactions and market conditions? Like no other media approach, digital assets can be switched almost instantaneously to deliver a timely message. Fifth (and arguably most important) is measurability and effectiveness: can elements of the programme be measured at a granular level and quickly optimised? With digital media, Cripps asserted, the answer is unequivocally 'yes.' Every interaction spawns a mass of data, and anything measured can be managed and optimised. If the systems are set up correctly, digital brand programmes can be optimised in real time and that, Cripps believed, made a big difference.

Continuing the story, research was conducted that proved a strong demand for the type of content The Economist delivered but audiences were not aware of it. That led to the insight that if people were not naturally coming to The Economist for content, the publication needed to bring its content to where people were looking. Brand messaging was placed in pure digital channels initially focused on search and in-display advertising scheduled to appear in appropriate social and traditional media titles - all delivered programmatically. Cripps expanded with a practical example: someone reading a Brexit article on The Telegraph website was profiled by the system. Look-alike modelling assessed their propensity to become an Economist subscriber and examined the prospect's context - whether they'd been seen before and what they were reading about. The system then searched for relevant Economist articles and served up an ad using Economist headlines in a provocative way. When prospects

interacted with the ad, they were led to the article on economist.com and encouraged to subscribe. If they did not subscribe, a permission led re-targeting engine delivered them brand and relevant content messages.

The results, Cripps confirmed, were exceptionally good. The brand was introduced to 5 million people at the core of The Economist's target audience, people who had not recently visited economist.com and who interacted with the advertising. Amongst its prospect audience, Economist brand awareness increased 25%+ while favourability and preference measures increased 20%+. The Economist secured an additional 100,000 subscribers at a lifetime positive ROI of £25 for every £1 spent. This was all entirely attributed to additional brand efforts, and all within a few months. To build on this success, The Economist developed a programme called brand response that was a blend of brand building and transactional marketing. This level of attribution and transparency, argued Cripps, is only possible through digital channels. Subsequent waves deployed a similar approach but included channels that were not purely digital – though only where the brand impact and the sales response could be measured, stressed Cripps. This involved channels where the distinction between traditional methods and digitally enhanced delivery was blurred: programmatic TV, podcasts, digitally enabled, on-the-street experiential, and even digital out-of-home. Before Covid-19, digital out-of-home was booming, and Cripps feels it will continue to boom once normality returns. According to Route, at the end of 2019, 68% of the UK population saw a digital screen each week ... At this point the chair called 'order' as time was up.

Carey Trevill, CEO of the British Promotional Merchandise Association, representing the BPMA, stated that for any brand to effectively address the dynamic and changing landscape of communications there are core and unequivocal truths that must be employed.

Firstly, human nature embraces the brand truths shown, not in digital milliseconds but in well-grounded, considered communication. She explained that we look for purpose in the brands we buy; we are conscious consumers and want to trust the communication we see and feel; and our behaviour and preferences are changing at the moment.

Secondly, the expectation of consumer-first marketing drives connections across both the digital and physical space. We expect brands to acknowledge the world we live in and communicate appropriately with us through many mediums; at every touchpoint we expect the brands we love to love the planet; and we expect to be rewarded for behaviours that change outcomes with loyalty and respect.

Thirdly, research proves that the tangible resonates beyond digital interaction, leaving lasting memory recall for consumers and importantly trust. At every point, we must prove our intentions are honourable, knowing 50%+ consumers think that most marketing is a ploy (Edelman). The direct brand experience is at the heart of enforcing trust, stated Trevill.

We've long understood the need to build brands, investing in both long and short-term marketing activation to deliver the solid brand performance that its activity demands. Trevill drew attention to the fact that stellar brands owe much to the presence and promise of physical items as part of their campaigns, complemented by their digital channel counterparts to deliver the true brand connection. She cited 'Compare the Market', where the brand grew exponentially linked to the love of its meerkat toy with one claimed every 30 seconds at the campaign's start, dramatically growing market share and building brand equity unrivalled in digital-only circles.

With branded merchandise and premiums increasing brand awareness as much as 96%, Trevill noted that in the UK, 72% of consumers are drawn by the promise of a free gift. But, she added, we also want to be impressed, cared for and considered. Ranked third in research by BPMA, a brand can increase market share through considerate gifting, packaging and messaging when personalised. Brand engagement increases and importantly cost per impression reduces dramatically, she asserted.

Trevill believes that as technology evolves, it will further drive our need to connect in the physical space and that creating human connections must be at the forefront of marketers' minds. She considered the way employers are turning to gifts and hampers, emblazoned with company logos and greetings which shout 'we thought of you'. The whole package is sparked with discovery and we are all opening up into a new world that desires that connection. She highlighted how the world's most awarded campaigns had placed printed and branded elements at the heart of what they deliver to the customer, suggesting that it is always these elements that linger long after digital communications have past. From FMCG to football clubs, gift activity and personalised thank-yous are experiencing a resurgence. While digital has a place in the connection, only physical can build a brand and instil that trust.

In 2019 the IPA noted a decade-long diminishing of the share of voice brands enjoy. This could be attributed to short-term marketing, especially in digital. Orlando Wood had pointed to the way left-brain thinking dominated some campaigns, leading to a narrowed perception of brand purpose. Well-tested theories show that branded materials and merchandise switch on our right-brain thinking, building a memory with a clear sense of place. Binet and Field showed that campaigns with an emotional approach are far more likely to create long-term profitable growth using right brain thinking with further research showing that left-brain only thinking saps effectiveness over time.

She explained that measuring emotion plays an essential part in how a brand performs; driving these responses is best created by mediums designed to elicit this response. Consumers not only expect to be informed but also surprised and delighted. Here she argued that relevance is essential when considering willingness to demonstrate allegiance: a regularly re-used shopping bag is likely to be a chosen brand or preferred pattern and hotels have branded mementoes that trigger memories long after you leave. These, she declared, cement positive behaviours, with people receiving branded messages in this way 75% more likely to buy again and 80% more likely to recommended.

Trevill did not feel the same could be said for digital. While acknowledging that resonance and enforcement of brand identity can be delivered in a single touchpoint, the reality is that all channels need to work together.

Looking at this challenging year, driving behaviours online was the default with many marketers turning to short-term messaging. But Trevill feels that the need to create permanence and remove barriers has provided a welcome diversion from the restless digital environment. Delivering a message through a physical medium allows brands and services to develop new relationships with consumers and customers, communicating values and beliefs through well-chosen materials and messaging.

Trevill noted that delighting the senses and driving messages deep into our core memories can take many forms, from the aroma of a personalised box of brownies to the luxurious feel of an embossed leather notebook. These build positive feelings and memories of engaging with the experience. Effectiveness has long been the measure where brands realise value, but Trevill suggested that for consumers the ultimate measures are 'why do you exist?' and 'would this brand be missed if it was no longer here?' In no other mediums, she said, can the weight measured in the hand deliver such effective association.

In conclusion, Trevill agreed that digital communication is part of how a brand is built, but argued that the physical presence of printed materials and merchandise is more important for the following reasons: One, proven, effective methods that work; two, mediums that impact long-term brand building; three, a full sensory experience that drives both our right and left brain thinking. Society sees marketing strategies as cynical moves, so methods and practices must be true to the purpose for which they were made: to surprise, delight and inspire.

Discussion from the floor

Roger Lewis was worried about the phrase 'is more important' as a lot of digital communications are seen as false claims, stating that it is important to keep a balance, clickthrough tells you nothing, and digital is not as controlled as printed.

Robert Godwin felt that both media are important and that they communicate differently to different people. He noted that the information on digital is fleeting and therefore there's less accountability. If you make a statement in print, it doesn't go away. The misinformation in digital degrades the integrity of the digital messaging.

Graeme Smith believed that to state one is more important than the other is to misunderstand what both are trying to achieve. In an on-demand world with such immediate access to information, the quality and feel of a tactile item such as a printed piece makes you feel connected to the brand in a way rarely achieved by an email. However, without digital it would be very difficult to sell products.

Mark Davies thought the Economist story a brilliant example of how programmatic advertising treads the tightrope between creepy and clever – with future privacy laws perhaps making it illegal. Digital has grown very fast and effectively, but in a highly unregulated environment that he likened to the Wild West – he looked forward to a level playing field. He also noted that Goodstuff communications had called 2019 'peak digital' (before Covid-19) pointing to scepticism around digital ecosystems and the murky infrastructure of where the money goes.

Jonathan Fingerhut felt that we're in a transition period to the next generations and that we have to accept that print is giving way to digital. Five years ago, a printed school prospectus was absolutely required but now the new generation of parents are younger and don't want a printed prospectus. We have to accept that this is the inevitable, whether digital is more important or not.

Brian Hayward stressed that marketing is all about the mix, likening it to baking a cake he noted it takes more than one ingredient in different quantities – and it was the quantity that is likely to change. He also pondered how digital will change in years to come and will it be superseded by something else.

Summing Up

Summing up for the opposition **Mike Hughes** reiterated that his argument was about engaging with a multi-channel approach. He disagreed that the next generation would be completely digital arguing that the young remained open to physical channels – but were not being engaged that way because brands chose not to. He proposed that brands rebalance and embrace other channels as well as digital, and that adding print and physical marketing back into the mix will provide greater engagement, giving brands the opportunity to stand out and build trusted, longer-lasting communications.

Hughes considered studies by Temple University that found people are more likely to remember brands when seen in print rather than online, suggesting that the human brain connects with printed information in ways that online cannot always match. He urged people to look further into right and left-side brain studies. Noting concerns about print impacting the environment he believed that poorly targeted advertising in any form is a waste. Agreeing that targeting and personalisation are very important, he noted that these techniques were developed long before digital online advertising. Indeed, digital print communications allow us to provide highly targeted communications. He felt that brands need to be careful of 'hyper targeting' as consumers now understand how that technology is used and may not like it.

Digital heavy and digital only strategies make it hard for brands to stand out, with Hughes referencing digital leaders Amazon and Ocado turning to a more mixed form of advertising, brand building through print, mail and other means as well as digital. Even Apple recognises the importance of

packaging with a focus on the physical product and the unboxing experience very much part of the Apple brand. Hughes argued that during the second lockdown it's important to think about the physical, tangible things that will improve our mental health, considering how much better it would have been to meet and hold this debate in person, connecting with the body language and taking in the atmosphere of the room – evidence that digital doesn't always provide the best experience.

Summing up for the motion **Monica Manoras** agreed that we're all receiving many more ads than before and that our attention span is noticeably shorter, but countered that with good strategy, planning and creative there are hundreds of digital online choices for brands. Digital is not a novelty anymore, it's overtaken TV, print and outdoor consumption, particularly this year. Manoras believes that people don't hate advertising, they just hate bad advertising, so if it's relevant and talking to the right people you can be noticed. To the point on safety, data and privacy she agreed the industry has had a lot to do and there's still room for improvement but argued that consumers have never had more control over how their data is used online. She cited the Advertising Standards Authority and IAB's Gold Standard that rigorously audits platforms, and that if brands take such efforts seriously, they can ensure that their digital ad placement is safe, mass and premium. With reference to the digital Wild West, Manoras stressed that there were many 'sheriffs' working very hard to ensure the safety of conversations on Twitter and other platforms, and noted the great strides made by Twitter and Facebook, including protecting the integrity of the 2020 US presidential election. In conclusion, she felt that while there's no arguing against a multi-channel mix, when it comes to 'who really drove that sale?' it is unlikely to be one platform, one newspaper, one magazine, or one outdoor ad. It will be a combination of many.

The result

The motion was defeated.