



A Parliamentary forum for Media and Marketing Debate

In digital, is data the only currency?

According to Matt Brittin, Managing Director, Google UK “The digital world is all data, it is only data”. He was speaking for the motion, ‘In digital, data is the only currency’ at the Debating Group debate at the House of Commons on 23 November 2009. The debate was sponsored by the Internet Advertising Bureau and chaired by Cheryl Gillan, MP for Chesham & Amersham and Shadow Secretary of State for Wales.

Matt Brittin opened with the comment that this was a very modern motion for an ancient place. He suggested that we already have one global currency – data.

On defining the words in the motion via Google, the following definitions emerged:

- Digital is information in binary form;
- Data is a collection of facts from which conclusions may be drawn;
- Currency is the medium of exchange.

So Matt Brittin asserted that facts from which conclusions may be drawn are the only medium of exchange in a binary world and this is actually a pretty good summary of how the Internet works. There is no fact more pure than a one or a zero.

Matt Brittin went on to consider the digital world from the point of view of a citizen, a consumer, a voter and a person. It is a vast resource – over a thousand billion sites, documents and images. Every day Google indexes data equivalent to six US Libraries of Congress. This is data which helps people to get information when they are ill, which enhances democracy, helps educate people, which entertains and which connects.

In the context of democracy, in Colombia last year, Oscar Morales began a million voices campaign against FARC (Revolutionary Armed Forces of Colombia) which began on Facebook, Gmail etc and resulted in 133 cities around the world staging protests. In the context of education, 80% of 12-15 year olds research homework online. In the world of entertainment, YouTube streams a billion videos a day, 20 hours a minute uploaded to over 400m users (not all ducks on skateboards or Channel 4 catch up content – also grandchild videos across the world). Data connects – on Facebook 6 bn minutes a day, 2 bn items shared a week.

Matt Brittin pointed out that art, movies, chat, messages, all in digital format, are part of a medium of exchange which brings joy, tears, political change, education and entertainment. “But at its heart just simple, beautiful data”.

However, besides the digital world of people, digital is also the world of business and organisations. In a digital world, businesses are able to be smarter, more efficient, faster and more successful than ever before. Digital brings data which helps make better, faster decisions for business, identifying target markets and competitors – what do they sell? How do I need to

compete? There are thousands of advertisers which are businesses which could not exist without digital marketing. Some businesses are now viable which would not have been viable before. Matt Brittin gave dustbags for vacuum cleaners as an example. Digital enables advertisers to test ads, for example, TMobile TV ads which were tested on YouTube and Amazon's split AB testing. Digital brings efficiency so that companies can invest in what really matters, turbocharging traditional media, cutting out waste, going where consumers spend more time and are more engaged. Research has shown that people on YouTube are 1.5 times more engaged than when watching TV. With consumers changing faster than ever, digital enables companies to raise the pace of business and keep up with consumers.

Matt Brittin acknowledged that the opposition would maintain that data alone is not enough, that it is creativity, emotion and talent that count. That is right, but in the digital world, facts override hype. Data kills HIPPO (highest paid person's opinion). And with better science, you get better art. He concluded, "That's because with the single currency of data, we can unlock a huge amount of creativity just by putting things together in ways that nobody has done before. Medical statistics and maps come together to create realtime pictures of flu epidemics... Once everything is a one or a zero, adding it together becomes a lot easier... By converting images, actions, expressions into digital data and sharing it with the world, consumers are empowered, businesses succeed and life is so much richer".

Human connection

Opposing the motion, **Graham Hales, Managing Director, Interbrand**, acknowledged that he found the topic disturbing and in the real world the opposition may have already lost the debate. The very fact that anyone could feel that data is the only currency in any market or indeed any sphere of life, made him feel that Pandora's box had been open for some time and we were now about to face the consequences.

But if the real world is put aside, we must remember that this is a debate that is focused on more emotive and theoretical grounds. To say that data is the only currency in digital reduces our humanity, our role as customers in organisations and our role in society to being no more than binary code. Graham Hales pointed out that the proposer, Matt Brittin, is more than binary code – he is not data, so why should he see us as a piece of coding? With the explosion of technology it is massively important that we take ourselves out of the mentality of seeing things just through data.

Ukom (the online planning currency) was launched only two weeks ago, but we have survived without it since the IAB (the Internet Advertising Bureau) was formed in 1997. It is therefore only now that digital is truly beginning to be measured using its own currency, proving that data cannot have been the only currency for this medium.

The capacity in IT has doubled every 18 months and will continue to do so for the next 25 years. If people feel left behind by the world of technology, then just wait for what happens next. The pace of acceleration is only going to continue. Graham Hales maintained that the consequences of this for society are huge. Whilst the clever people in the audience may see a world laden with opportunities, it is the people beyond this room, the people that are currently sitting at home cursing the fact that they've had to use their hard-earned and rapidly diminished supply of cash to buy a digital TV that ostensibly they use to do exactly what their analogue TV did, that deserve our compassion and consideration. If we produce technology that leaves society behind we risk creating a class divide between the tech-savvy and the luddites. And the consequences of this relate directly back to our economy, our society and our happiness. Graham Hales cited the case of society after the collapse of the USSR, where a massive portion of society that understood how the system operated in the Soviet era are now misplaced and disadvantaged as a result of the seismic changes that created a malfunction in their personal operating system. Put simply they were left behind by society.

At the moment people use just 20% of the capacity of their electronic appliances. So paradoxically whilst we are creating more and more technology capacity and doubtless creating metaphorical wine lakes and butter mountains of data, we are not using the machines and their functionality to anything like their capacity.

Graham Hales suggested that this may well feel somewhat profligate in an age of thrift that is repelled by the excesses of our recent past. If hindsight shows us that we could all see that the economies of the world were over-accelerating and financial peril lay just around the corner, don't we feel the same sense of unease at the over-reliance of data being seen as the *only* form of currency? He stressed that the opposition was not trying to slow technological progress. "We just want to make sure that the progress is made in a way that is democratic to the needs of society, that doesn't create winners and losers, but that produces technology for its benefits to people rather than simply producing technology for its own ends". He called for a form of technological progression that is guided by the needs of people, that sees people as more than data.

A study by Microsoft (Europe Logs on) in April 2009 found that Content (news and video) and Communication services (email and social networks) represents 65% of all time spent online, proving that digital really is all about the human connection. Nielsen, also in April 2009, found that 90% of consumers trusted 'completely' or 'somewhat' recommendations from people they know and 70% of these were consumer opinions posted online. The authority 'word of mouth' provides is huge. Microsoft paints a picture of how social connectivity gets commercial and advertising online gets more and more personal. According to its study, in future "eBay will be able to inform users how many degrees of separation there are between themselves and the seller, Amazon will recommend books that friends, or friends of friends liked and bars and clubs will be able to reach out to like-minded punters". Ironically Google knows this better than anyone. It is a brand that is now valued at almost \$32 billion. Any brand of that value understands people, not just data. In a very short space of time, Google has become part of our lives and Graham Hales hoped that it understands that its customers mean more to it than binary codes.

Data is never only currency. It's what we do with it that counts – the intelligence it gives us to make the right decisions for and on behalf of people and society. Data is the black and white stuff. Real life is a tapestry of stimulating and vibrant colours.

The beauty of this medium originally was that there were no boundaries, fewer rules and regulations and lower barriers to entry for brands to take products to market. Simply having a website as a destination for a brand was enough. You could obtain the simplest of data (web log files) to be satisfied that people were using your site. Feedback and comments and long-term conversations are the Holy Grail in this day and age for brands which use online, and more and more people spreading the word about a great experience they've had online, offline through word of mouth. Ultimately success is measured in footfall to the stores and sales, rather than hits online.

Graham Hales applauded the audience as members of the technology cognoscenti, but asked them to vote beyond themselves and on behalf of society. He suggested that the opposition was raising an element of doubt. It was hoisting caution up the flagpole, asking the audience to go beyond the one-dimensional and see things from multiple dimensions. He concluded "I implore you to consider the multiple dimensions of this debate and the singular nature of voting for the motion that would diminish our own roles within the digital world".

New model

Seconding the motion, **Louise Ainsworth, Managing Director, Nielsen EMEA**, pointed out that the World Wide Web has created an infinitely vast resource of content, diversity, new definitions of identity and individual contributions. She is concerned about the quality media we value today. "How can organised content provision, needing training, skills, rigour of

thought and high intensity teamwork survive in the democratised individualised world of the internet?”, she asked. As consumption of digital media grows, traditional high quality, objective media are suffering financially and business models are beginning to collapse. “Maybe the inmates of this particular house might feel justifiable schadenfreude when the newspapers are squeezed – but would members of parliament really be happy if the only remaining news sources were unaccountable tweeters and the BBC?”

Louise Ainsworth suggested that our fabulous commercial media providers can survive the transition to a digital targeted environment and will actually grow, thrive and win. For example early measures of digital video suggest that video advertising delivered through on-demand television online is by far the most impact advertising available today. To achieve this vision of a multi-platform digital future, digital media need to be funded, and to support that we need even more data, more than ever before, to provide the currency that will enable our content production environment to survive. It is data that has helped to make the Internet the success it is today.

Specifically in the advertising space digital media spend has grown phenomenally to date as a result of the ability to sign up customers online and target them at their moment of need. Even the advertisers who are the least able to use the internet to transact today – those who aim to sell bleach, chocolate bars or toilet paper in the supermarket, for example, are using the web successfully. The Cadbury’s and Procter & Gamble’s of this world find themselves able to reach out directly to the fans who spend the most on their products and are passionate advocates – the web provides a vehicle to find out who they are and what motivates them. These uses are essentially direct marketing, as are 75% of all advertising campaigns online, according to emarketer. Money changes hands on the basis of clicks through to content or registration for further contact. Actually even Procter & Gamble is telling publishers that money will not change hands unless some sort of interaction or sign up can be proven. In other media a huge amount of money is spent simply on putting some great advertising in front of people to capture their attention and change their preference. This type of brand spend remains tiny on the Internet – at about 5% of total online spend. As readers and viewers flood to the Internet to find out facts or enjoy viewing videos, the investment simply isn’t following them. Louise Ainsworth acknowledged that a lean-forward browsing experience is very different from leaning back and watching TV or relaxing with a paper. “But”, she stressed, “as the way in which people watch TV or read the paper changes to be delivered through digital mechanisms the funding model will have to keep up”. She argued that if we don’t insist on getting the right data, adequate measurement and instil the means of using that measurement into the digital industry we will hold back the future growth and health of our traditional and well-loved creative media and advertising businesses. Brand advertisers want to know who and how many were exposed, how often. In order to build a plan they want their agencies to understand the reach and exposure of their campaign. Investors in brands want to understand audience impact and response – not only were they in the room or did they click but did they engage emotionally and intellectually with the advertising and change their perception, attitude, intention or behaviour as a result. They would also like to know how that compares with other media.

Currently used measures for digital display encourage publishers to create as many impressions or ads as possible in a single page, expanding advertising inventory enormously and creating a commoditised low-priced medium rather than a high quality advertising environment. Louise Ainsworth questioned what can be done. She suggested that some of the changes will happen naturally anyway. It is not trivial but it will be relatively easy for the providers and purchasers of long form video to define pricing and value relative to TV and film. It will be a lot harder for content in greyer areas such as video advertising within news sites to be priced, valued and transacted appropriately. She argued that a whole new model must be developed.

All the metrics are available although perhaps not systematically so, nor are they yet used in an organised way in the industry. As well as using direct measures where appropriate, advertisers

need to put an emphasis when briefing in digital media to look to build reach, frequency and impact and to evaluate the performance of the medium accordingly against these metrics. If they do, formats will evolve to maximise performance against these new measures. These new formats will be more engaging, they will provide more room for advertising creativity and they will generate more funding for quality content. Clients want measurement of emotional content.

We should support data, put the right measures in place and force the industry to use them. As a funded medium, it is data that has made the Internet what it is today. Louise Ainsworth concluded, “If we want the medium to evolve further to provide an environment in which quality content and creativity can flourish, then we need more and different data and we need to use it even more effectively. Data is the only currency for digital and we need everybody in this room and in the industry to rally round to support its ongoing role in building a new media future”.

Conversation as king

Seconding the opposition, **Mark Cridge, Managing Director, Glue**, talked from a creative perspective, reminding people in the audience that we are first and foremost in the business of generating attention and advocacy. These are two areas in which data struggles to live up to the standards we would expect from a common currency. The industry we are in is concerned with creativity and emotion. Our role in life as marketers is to create desire and generate conversation. Data on its own is simply insufficient to account for the full breadth of emotion that we deal with day in and day out.

The creative process and data have not always been easy bedfellows.

However, today, even though data cannot provide the full picture, data and creative have become increasingly inseparable. In the creative realm data does indeed affect so much of what we do. It informs the actual creative we run, the messages we develop within that creative, their order, their impact and magnitude of effect. Data can provide unparalleled strategic knowledge and understanding – it gives a unique understanding of the pressures and requirements of our clients’ businesses. Data is certainly a critical and invaluable currency which when used adeptly can ensure that we are able to offer the best and most appropriate solutions to our clients. But we are fighting this on emotion and data cannot be the *only* currency. Mark Cridge believes that ideas, not data change lives and he noted that Louise Ainsworth agreed that data and ideas must go together – one is not enough. Data is just part of the equation and to argue that it is the *only* currency in digital is to repeat the common assumption that digital is merely a simple offshoot or extension of direct marketing, wholly defined by rational, conscious decision-making. Digital is certainly a hugely powerful and impressive provider of direct response activity. However, it would be a vast understatement of digital’s reach and would substantially undervalue its impact and complexity.

As an industry, we have spent the last 10 years hopefully proving that it is possible, essential and indeed desirable to seek to deliver true creative emotional responses through digital work. During this time digital has changed beyond all recognition and arguably now encompasses the full extent to all media and in doing so it is employed in the same tasks as those more traditional media, building brands, creating desire and sparking real human emotions. As such digital also encompasses the full extent of measurement techniques both qualitative and quantitative – both sides of the measurement coin.

However, as in traditional media, not everything in digital can be reduced to a single transaction. If data was the only currency we would not need space in our lives to stop to think – acquiring and responding to sufficient data would be enough to make our decisions for us. It is no coincidence that Google itself famously gives each of its employees 20% of their time to work on special projects outside their day-to-day work – distance and variety are essential

elements in a balanced creative life. To seek a single currency would be to know the cost of everything but the value of nothing.

Rather than a currency, data has become a commodity.

It is quite clear that the far more intangible and difficult to measure currencies of real human emotional responses and behaviours are those that we must seek to understand the most, but are so difficult to grasp.

It is people and their imaginations who define how any data is to be collected, what form it should take, how it is measured and how it is interpreted: imagination is the ultimate arbiter of the value any data may have. Mark Cridge cited the work of the artist Aaron Kobiln whose visualisation of data has become a creative process in its own right. Data is the canvas he works upon, it provides the raw feedstock, but it is his individual human imagination, insight and intuition that form the much more valuable currency.

The 5% of brand spend certainly punches above its weight. While search gets the last click, brand creates the initial desire. We continually use data selectively to infer and direct towards a pre-ordained result or to back up an assumption we may have made.

The act of observation, the setting of rules determines results. The individual person decides how the data should be collected.

Forensic levels of obsessive observation and analysis are dramatically more effective than they ever were before. The usefulness and completeness of data today is what is edging it towards being defined as a common currency. But human inference, creative analysis, experience and intuition remain critical. As such a single currency becomes not only almost useless, but also impossible to achieve. The most important things that take place can't be measured at all.

Mark Cridge suggested that instead of the notion of 'content being king' we should consider 'conversation as king'. The rich advocacy outside digital cannot be measured.

Even if we could measure this accurately how can any currency based on data accuracy account for such things as love, desire, infatuation and irrationality?

Digital is real life. It encompasses the full range of emotions, the ups and downs, the surprises, the things we haven't imagined yet. Believing that a single currency is the answer to everything may mean you sadly lead a rather mundane and lonely life, defined by cold hard rationality rather than spontaneity. As in real life money, data or any other currency cannot buy you love – it is a human factor, not in the digital world.

Discussion from the floor

Contributors from the floor made the following points:

For the motion

- The contributor compared research methodologies today and in the past. A currency used to be needed to measure the effect of advertising – tried and tested research methodologies were the basis for advertising spend. Today, consumers are engaged with brands in real time. Researchers in the digital world are able to obtain insight into consumer needs and desires. They collect real-time insights which give real-time access to needs.
- Google is about love and emotion. You can't have business models without data. How do you measure return on investment?
- Data can make predictions with remarkable accuracy. The contributor cited Tesco which combines online and offline data to achieve insight into consumer preferences.

- If you want to know who's going to win the X-Factor turn to digital.
- Data is extremely important. Tesco's Loyalty Card drives the business, making the connection between customers and sales. Relevance and reward data is its business platform.

Against the motion

- Internet is still obsessed with binary. TV and online are brilliant together. Not every digital TV delivery is the same. Quality TV content is delivered by YouTube – advertisers know the difference. It is easy to count things but sometimes the data take you in the wrong direction i.e. the last click wins. We need to know why people are behaving. You may deliver enriched content, but you don't know why people are watching. People largely watch the Internet on their own.
- Data is unprotected at the moment. If it is the only currency we have to think very carefully about how it is managed.
- People have opinions about data. It comes from somewhere. People produce different data. Whose data do you agree with?
All other media currencies are approximate truths. Data is not absolute. It is variable because people are involved.
Ideas and people must always go together.
- The contributor opposed the motion in data rather than emotional terms. He commented on the vast amount of data and the power of brands in this vast content. In a few years time the data might provide different information about the brands. The herd mentality of people using the Internet can mean that the power of brands changes e.g. Friends United is no longer influential.
- People require maps and routes through data. It can change.
- The contributor drew a distinction between information and insight. You can get real-time information, but not real-time time insight. You can have as much data as you like, but this is not going to help measure emotional resonance. The contributor quoted David Hume "Reason is and ought to be the slave of passions". Data is only a tool to help us achieve emotional ends.

Abstention

- Although the contributor was impressed by the proposers and their argument that in digital, data is the driving force, he questioned the notion of digital as the *only* currency. He maintained that a lot of data is not of good quality. Things can be measured, but not always well. A lot of data is backward-looking e.g. the weather. Relying purely on data and saying it is the *only* currency is to ignore the human element – issues of people relationships, for instance, which are even more important in the digital world.

Summing up

Summing up for the opposition, **Graham Hales**, stressed that the opposition do not maintain that data is bad. They argue, not that data is wrong, but that it is not the *only* currency.

We have all experienced paradoxical use of data – there is yin and yang in all research.

The different ways people consume advertising, are not linear and not directly about data. In digital data cannot be the *only* form of currency.

Summing up for the motion **Matt Brittin** re-iterated that data are facts from which conclusions can be drawn and currency is a medium of exchange. In digital the bits are the only way information is transmitted. The proposers' argument is that you can be greater with digital. It is a tool which works.

Mark Brittin referred to the digital divide – there are still 10 million people in the UK who are not online and 4 million who are considered disadvantaged. It has been shown that if these people have access to the Internet, their income will improve and their children will do better at school. The Internet and the digital world can in fact empower the disadvantaged. Every week 7,000 people over 70 now renew their driving licenses online.

Data is not a substitute for ideas, but it allows people to form their own decisions. The financial fall was not a failure of data, but a failure in the financial world.

Great art, great movies, music, literature, moments of joy, both big and small, can be turned into digital bits and shared with the world in seconds at no cost. The world of digital bits is one of opportunity, of empowerment, of economic growth and where the UK is well-positioned to lead. You can be greater with data!

The result

The motion was defeated.

Next debate

The next debate will take place on **Monday 15th February 2010** sponsored by the Direct Marketing Association. For more details contact Doreen Blythe, Debating Group Secretary, on 020 8202 5854, e-mail: doreen.blythe22@btinternet.com.