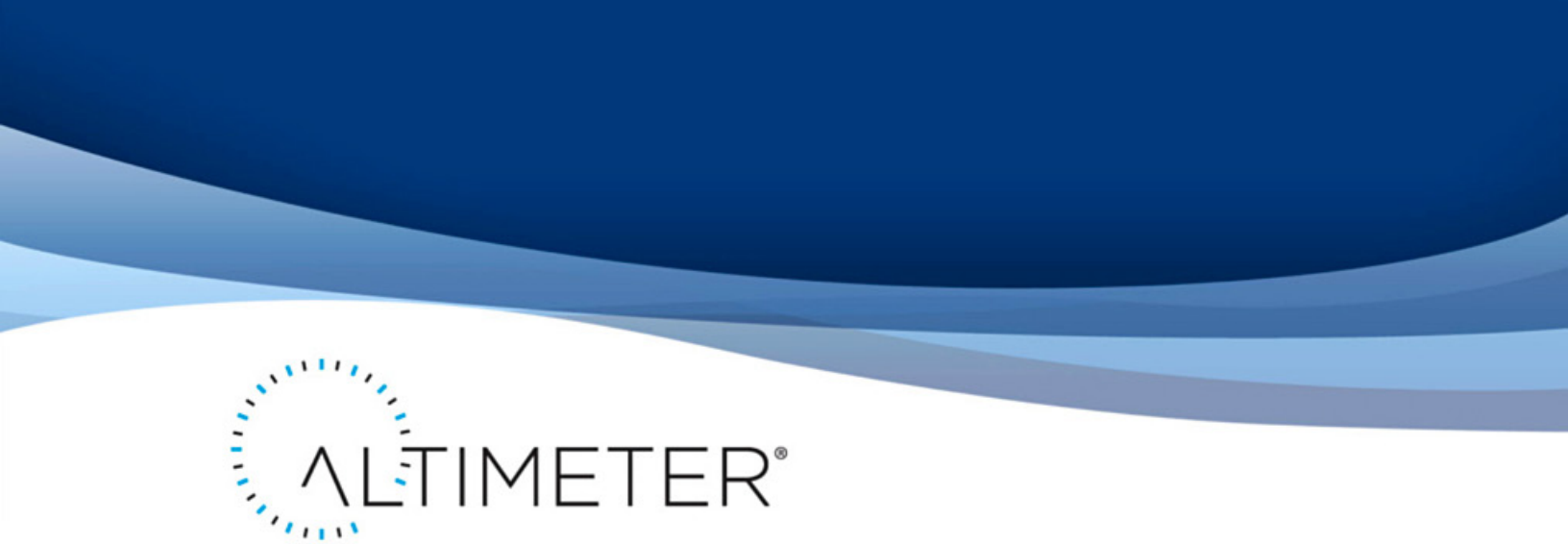


The Converged Media Imperative:

How Brands Must Combine Paid, Owned, and Earned Media

July 19, 2012

By Rebecca Lieb & Jeremiah Owyang

With Jessica Groopman & Chris Silva

Includes input from 34 ecosystem contributors

Executive Summary

Consumer behavior is undergoing a rapid change. The person who yesterday "surfed the web" today flits across a panoply of screens, sites, channels, and devices, often simultaneously, or very near so. Logos pervade consumers' lives, from the programs they watch to the billboards they pass, to the clothing they wear. The average person sees some 3,000 brand impressions every day.[1] The media and information they consume might originate in traditional media, social media, advertising, or — with increasing frequency — a hybrid of all three. Consumers rarely pause to note provenance. Media are a veritable blur. The primary quest is for information, entertainment, or shopping. The goal is simply to find the "right" media, be it paid, owned or earned, along this highly dynamic customer journey. Brands are challenged to intercept this elusive customer and cut through the media clutter, regardless of whatever channel or medium consumers are engaged with. Converged media will happen and is happening; if marketers do not take action, the effectiveness of marketing efforts will suffer.

Advertising, or "paid" media has traditionally led marketing initiatives, both online and off, but advertising no longer works as effectively as it did unless bolstered by additional marketing channels. Owned and earned media are vital to campaigns, helping to amplify and spread brand messages across a myriad of complex paths that consumers follow across devices, screens, and media.

Earned and owned media have become so integral to successful marketing initiatives that they are now commingling with paid media to create new media hybrids. Paid + Earned; Earned + Owned; Owned + Paid; and even Paid + Owned + Earned media models are now emerging. Yet while consumers make less distinction between channels, marketers remain specialized in one medium at the expense of the other. Rather than allow campaigns to be driven by the locomotive of paid media, marketers are now required to develop scale and expertise in owned and earned media to drive effectiveness, cultivate creative ideas, assess customer needs, cultivate influencers, develop reach, achieve authenticity, and cut through clutter.

Brands that do not integrate and align paid, earned, and owned media now are at a disadvantage. While this confluence began and is taking root in digital channels, it is rapidly moving toward more traditional forms of media and to other screens, beginning with television (a new UK station will only broadcast programming with a high level of social media buzz, and user comments are woven into the programming).[2] Marketers who fail to learn to reconcile paid, owned, and earned media today will be at a distinct disadvantage in the future when, in less than 10 years, most media will encompass elements of paid, earned, and owned. To arrive at this state, brands must change the way their marketing departments are organized, build new models to effectively collaborate with agency and vendor partners, shift budgets, and realign metrics and KPIs to effectively measure and assess both creative and media initiatives.

Methodology

We conducted qualitative analysis by interviewing subject matter leaders, as well as conducting dozens of briefings with providers and analyzing enterprise brand marketing programs. Specifically:

- 34 research interviews and 29 briefings with corporate practitioners of major brands, social software vendors, and solution providers; various types of media agencies, industry experts; and major social media networks
- Secondary research and analysis of more than 40 case examples of brands integrating paid, earned, and owned media types.

Table of Contents

As Consumer Media Habits Shift, Brands Require Media Ubiquity 3

All Media are on the Verge of Converging 3

Sophisticated Brands Have Begun to Integrate Media 3

No Single Medium Can Afford to Stand Alone 3

Defining Converged Media Terminology 3

State of Industry: Media Converge Despite a Fragmented Ecosystem 5

Brands Lag in Deploying a Converged Media Experience 5

Agencies Too Limited by Campaign, Channel 5

Acquisition and Integration Forbodes Effective Digital Marketing 6

Converged Media: 11 Success Criteria 7

Strategy 9

Organization 9

Production 10

Analysis 11

Savvy Brands Deploy Successful Converged Media 13

Case Examples 13

Recommendations for Marketing Leaders 16

CMOs and Their Teams Must Make Converged Media a Reality 16

Foster an Alliance of Ecosystem Integration 16

Manage Software Providers by Building Integration 17

Conclusion 18

Appendix 19

Ecosystem Input 22

About Us 24

As Consumer Media Habits Shift, Brands Require Media Ubiquity

Marketers are familiar with distinct media channels. Paid summons images of banner ads, search engine marketing, TV spots, or billboards. Owned is comprised of corporate assets such as the company website, a blog, or a YouTube channel. Earned is characterized by online and offline word of mouth, reviews, forums, and social media updates — anywhere people discuss products or brands.

All Media Are on the Verge of Converging

These distinct media are beginning to converge. Soon they'll be inextricably entwined. Gone are the days when marketers could spoon-feed pre-fab sales pitches to apathetic consumers. Welcome to the empowered buyer: a savvy and dynamic customer, armed with information, multiple options, and devices, and backed up by an ever-expanding network of peers and references. Past Altimeter Group research suggests some customer journeys could have as many as 75 digital variances[3] combining varying content source, channels, and screens per touchpoint.

Sophisticated Brands Have Begun to Integrate Media

Through the emergence of the digital web, social channels, cloud-based technologies, mobile platforms, and shifting notions of convenience, consumers are dancing a new dance in the way they make purchasing decisions. Marketers must keep in step. They've already shifted budgets in an effort to keep up with buyers. About half of marketers surveyed in 2012 are increasing their spend in digital channels (web, mobile, social, etc.), away from traditional ones (broadcast, print, out-of-home, etc.).[4]

No Single Medium Can Afford to Stand Alone

Effective marketing now stands on its audience's shoulders. What resonates most with the audience is what maximizes the impact of the investment, both short- and long-term. With consumer attention fragmenting, digital channels proliferating, and the effectiveness and engagement with ad units plummeting, display advertising messages and campaigns are no longer a standalone marketing solution. Marketers, meanwhile, are increasingly aware of the need to establish greater ubiquity across more channels throughout the social web. Supplementing this is the need to create content in owned channels and to encourage dialogues with, listen to, and amplify consumer conversations and gain traction.

Defining Converged Media Terminology

With the cultural and technological shifts we see in marketing today comes the need to identify, define, and standardize terms to streamline discussions in our diverse set of ecosystem connections. In order to discuss the interplay of paid, earned, and owned media, let's first define each of these terms as they apply to digital channels:

Paid media are display or broadcast advertising. In digital channels, paid media include banner ads, Pay Per Click (PPC) search ads, advertorials, sponsorships, sponsored links, and pay-per-post blogging. The common factor of all these channels is that they are a form of advertising for which a media buy is necessary.

Example of confluence with other forms of media: an ad on Facebook that consists of content from the advertiser's newsfeed post.[5]

Owned media are all content assets a brand either owns or wholly controls. Owned media channels include websites, microsites, branded blogs, videos, and the brand's own(ed) presence on social media and social network channels, such as Facebook, Twitter, YouTube, Flickr, etc. Owned media is largely content marketing, i.e., content a brand owns and/or publishes that involves no media buy.

Example of confluence with other forms of media: A TV spot (paid media) finds perpetual life on an owned channel, e.g., the Old Spice Guy on YouTube.

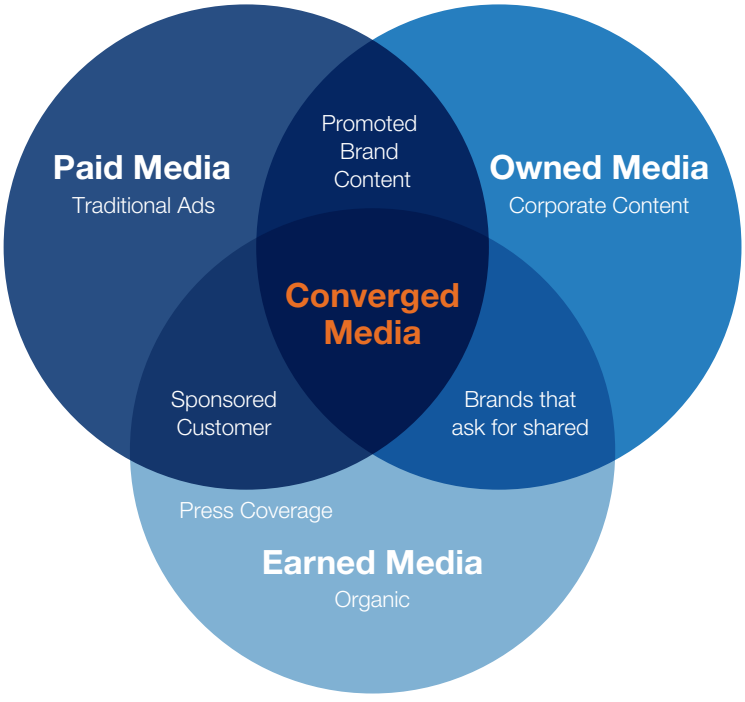
Earned media is user-generated content created and/or shared by users. (It bears mentioning that some consider shared media to be a separate channel. More on this below in Outlying Channels.) Types of earned media include consumers' social media posts, tweets, reviews, videos, photos, and open online communities. Another component of earned media is mentions in media or on social channels that are the result of PR or media relations. For brands, earned media is the most elusive and difficult of the three channels; while it can be influenced, it cannot be directly controlled.

Example of confluence with other forms of media: Display units that scrape relevant and targeted user reviews from ecommerce sites and input them directly into the ad creative (Bazaarvoice). Also notable is Sweden's Twitter account, which is fully under the control of a new Swedish citizen each week.

Outlying channels don't neatly conform to the categories of paid/owned/earned media. This is to be expected from some forms of digital media. Online contests and sweepstakes, for example, are often hybrids of paid, owned, and earned media. And as mentioned above, shared media ("likes," "retweets," "shares," etc.) are considered by some to be a wholly separate channel from earned media. Moreover, shared media may or may not contain original content (e.g., a comment or other earned media) added by the sharer. Co-created content is another category that could be assigned to earned or to shared media. We acknowledge these arguments, but for the purpose of this report we will consider "shared" media to be part of earned.

Converged Media utilizes two or more channels of paid, earned, and owned media. It is characterized by a consistent storyline, look, and feel. All channels work in concert, enabling brands to reach customers exactly where, how, and when they want, regardless of channel, medium, or device, online or offline. With the customer journey between devices, channels, and media becoming increasingly complex, and new forms of technology only making it more so, this strategy of paid/owned/earned confluence makes marketers impervious to the disruption caused by emerging technologies.

Figure I: The Convergence of Paid, Owned & Earned Media



Source: "The Converged Media Imperative: How Brands Must Combine Paid, Owned & Earned Media" Altimeter Group (July 19, 2012)

ALTIMETER

State of Industry: Media Converge Despite a Fragmented Ecosystem

Successful converged media requires an ecosystem of providers to work in concert. Yet like a fragmented mosaic, the constituents across brand, agency, and software vendors are unaligned. When surveyed, most respondents (brands, vendors, and agencies alike) perceive the integration of paid, owned, and earned media as essential as it is immature. In each interview, respondents were asked to score the maturity of the converged media space quantitatively. An average 1.95 out of 5 possible points (5 being the most mature) was found across 35 respondents. While the sample size is limited, this reflects broader industry sentiment. Paid, owned, and earned integration is in a state of early maturity across the ecosystem.

This report segments findings by three constituent groups: brands, agency partners, and software providers.

Brands Lag in Deploying a Converged Media Experience

Internally, brands are organized in marketing sub-groups that are territorial, competitive, and political. They compete amongst themselves for budget, as well as prominence. We found the following patterns:

- **Mindset varies by department; social team often catalyzes change.** Brands are only very slowly becoming aware of the need to integrate paid, owned, and earned media due to fragmentation of teams within the company. This realization is usually sparked in that part of the organization tasked with social media management is already deploying social ads on Facebook or Twitter. These marketers see the need for POE integration, but they lack the authority, budget, and clout to get their peers in other marketing divisions on board with integration efforts. In most organizations, this alignment and integration stretch beyond the marketing organization to embrace other customer-facing divisions, most notably product groups and customer service.
- **Departmental silos hinder converged deployments.** Other marketing divisions may slowly begin to see the need for integration, but lacking leadership that oversees all media efforts, cross-departmental authority, common success metrics, or channels for communication, they are hampered and lack incentive to move forward. Companies without a content strategy are also unable to progress in this environment, as they lack the content marketing assets to maintain presence in owned channels, as well as to effectively and rapidly respond to earned media. Brands can't sit back and wait for an external partner to take the lead on integration. It is up to them to effectively organize and align external vendors and agencies. This will only happen if they are proactive and instigate change internally, as well as externally.
- **Disparate tools leave marketers kneecapped at the workbench.** Brands struggle with a panoply of software spanning CMS, marketing automation, advertising management, analytics, dozens of social tools, and multiple CRM systems. They're forced into integrating disparate systems, which handicaps their ability to use these tools to provide a consistent customer experience. Integrated digital marketing suites are emerging, but a schism between adopting best of breed vs. one-size fits all will persist.

Agencies Too Limited by Campaign, Channel

Brands cannot deploy converged media alone. They must coordinate agency partners to reach the dynamic customer. We found that across 16 agencies spanning digital, communications, social, and more that most agencies tend to specialize in, or have a revenue model contingent upon, only one of these three key media channels. Our research found:

- **Campaign-focused mindset at the expense of sustained engagement:** Traditional digital advertising agencies tend to be focused on channels where they have historical expertise. AKQA's Director of Strategy, Rachel Lawlan summarizes, "Agencies generally, whether traditional or digital, have produced stock rather than flow. Stock is advertising, websites, tangible things. Where we're going to now is

understanding flow — second-by-second, minute-by-minute monitoring, responding, making sure you're there." Often, these rollouts are short term based on campaign or advertising flights, yet often with clear measurable results. On the flip side, long-term engagement social agencies span multiple quarters on one effort, but struggle to measure business ROI.

- **Channel-focused agency teams miss opportunities:** Agencies are often specialized and don't feel their counterparts in other focus areas are competent in integration. Digital agencies claim social agencies lack larger brand perspective, while social agencies say media buyers ignore long-term engagement. In any case, by not integrating, agencies are missing opportunities. 360i's VP of Emerging Media, David Berkowitz identifies missed opportunities by lack of integration and planning: "You have paid media that's not nimble enough to tap into what people are talking about and what the brand's editorial calendar is focused on. ... A lot of it is having the plan looking ahead. A plan that allows for agility and creating a degree of structure for flexibility."
- **Agencies struggle to keep up, frustrated with ever-changing tool sets:** Most agencies we spoke with are struggling to move into new channels outside of their core expertise. Social agencies like VaynerMedia, We Are Social, and Big Fuel are deploying social ads within social networks but are often disconnected from larger media buying initiatives. On the flip side, digital agencies have deployed social capabilities but are often limited to shorter-term campaigns. To solve this, we expect mergers and acquisitions between the various constituents to provide a cohesive converged media solution. Finally, these service providers must constantly invest in research to keep track of the changing toolset of brand monitoring, Facebook campaign software, social media management tools, content management systems, and more.

Acquisition and Integration Forbodes Effective Digital Marketing

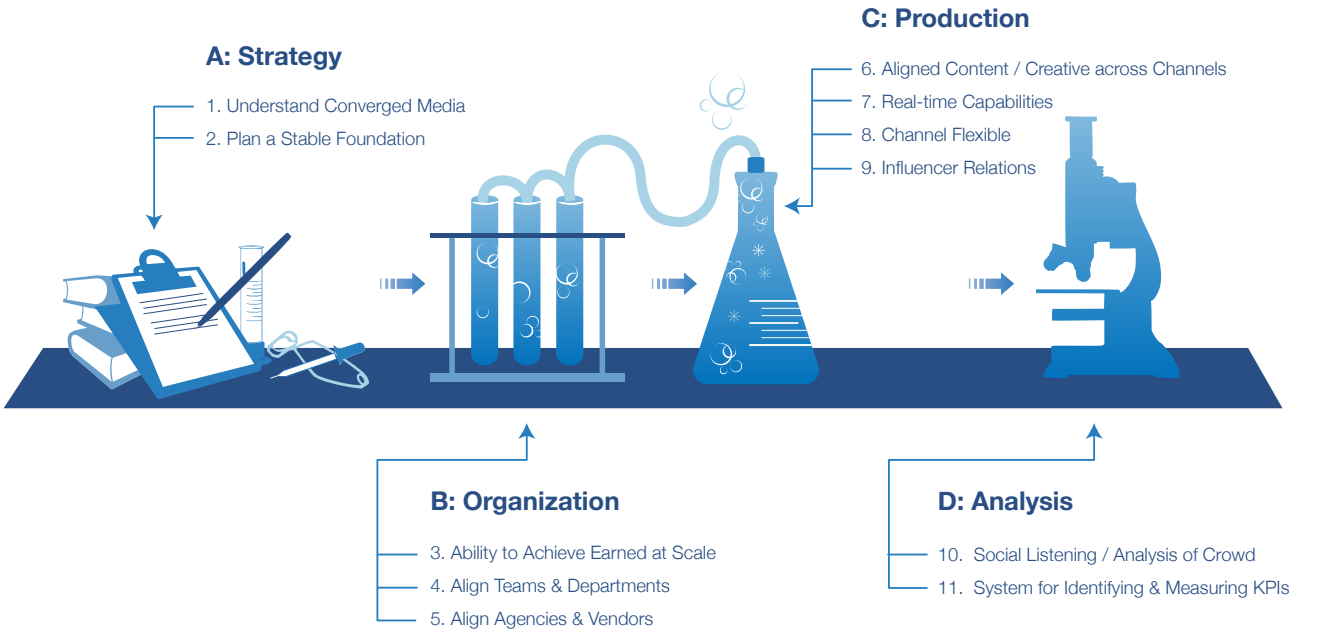
Altimeter interviewed seven technology vendors and took briefings from dozens of others about their products. The appendix contains a matrix of software providers spanning the deployment of paid, owned, and earned media — (See Figure IV: Vendor Showcase: Converged Media Software Providers). We identified the following trends:

- **To remain relevant, vendors must stretch beyond comfort zones.** Most of the software vendors interviewed recognize that paid, earned, and owned media are rapidly integrating. However, most vendors have a unique specialty ranging from social, creative software, email marketing, CRM, etc. Within the social software space alone, Altimeter identified at least 16 forms of software technology in this exploding field.[6] As a result, vendors are forced to move outside of familiar territory to expand into new areas that require new ways of selling, marketing, and deploying.
- **Partnerships abound, acquisitions accelerate.** As media types flow together to converge, building software from the ground up is too costly and time consuming. Following Facebook's underwhelming IPO, software vendors are seeking to exit via selling to a larger entity. Shift Communications CEO Todd Defren states, "The vendor and agency landscape? It's a landshare grab!" We've seen intense acquisition by larger players, including Salesforce, Adobe, IBM, Oracle, and other seasoned enterprise software players.
- **Seamlessly integrated suites will take time.** Brands should be cautious about investing in a software suite (or "stack") to address all marketing, advertising, and media needs. The technology is nascent today; "Tools are the number one pain point for social today—the industry is so fragmented and broken," explains Becky Brown, Director of Social Media Strategy at Intel. Significant customer case studies from the large software vendors have yet to emerge, as vendors continue to integrate acquired products and teams. This industry sector is not limited to software suites alone. Point providers, such as Wildfire, have developed partnerships with advertising provider Adaptly to provide both earned and paid capabilities. Expect that point providers will be faster bringing a nimble product to market than will behemoth software companies.

Converged Media: 11 Success Criteria

While all ecosystem players possess at least some pieces of this puzzle, no one constituency now holds all the pieces in one place. Altimeter found a set of baseline needs that brands and their ecosystem partners must have in order to succeed with converged media. We view this new paradigm of creative development as analogous to a chemistry lab in which marketers must conduct and monitor numerous experiments involving many moving parts to concoct successful formulae. To aid marketers, we've provided a checklist for deployments, as well as detailed specifics below.

Figure II: Converged Media Lab: Top Success Criteria



Source: "The Converged Media Imperative: How Brands Must Combine Paid, Owned & Earned Media" Altimeter Group (July 19, 2012)

Checklist: Converged Media Success Criteria

Before embarking on a converged media strategy, brands and agency partners must complete all the requirements in the following checklist. Below this crib sheet are detailed explanations, examples, and emerging practices.

A. Strategy

- ☐ 1. **Understand Converged Media:** Awareness of changing consumer media consumption patterns and the necessity of presence in multiple media for reach and efficiency.
- ☐ 2. **Plan a Stable Foundation:** Successfully architecting strategies around paid, owned, and earned media is analogous to designing a stool. Two legs (or media channels) may hold it up, but stability and balance is achieved when the design incorporates three legs.

B. Organization

- ☐ 3. **Ability to Achieve Earned at Scale:** Earned is the most difficult medium to achieve, particularly at a significant scale. Content strategy is essential both to build and nurture earned media.
- ☐ 4. **Align Teams & Departments:** Individual stakeholders cannot "own" converged campaigns and expect success. Paid, earned, and owned must meet at the same table to plan initiatives, content, creative, media, and strategies that link them.
- ☐ 5. **Align Agencies & Vendors:** Brands' partner companies require briefs that define the scope of paid, owned, and earned convergence. Each will have individual areas of specialization and expertise, yet full visibility is essential for all partner companies.

C. Production

- ☐ 6. **Aligned Content / Creative across Channels:** Design, voice, branding, and other creative elements must be agreed upon and defined across paid and owned channels.
- ☐ 7. **Real-time Capabilities:** Paid, owned, and earned media convergence is most effective when it is responsive. While earned demands an exceedingly high degree of responsiveness, agility in "owned" and paid media is ideal.
- ☐ 8. **Channel Flexible:** While varying channels may 'lead' convergence initiatives, no one channel will retain prominence indefinitely. Channel balance can shift rapidly and without warning. Marketers must monitor across channels and nurture them, as well as account for multiple channels in planning stages.
- ☐ 9. **Influencer Relations:** All earned media is not created equal; Influencers are critical to amplifying brand messages and helping to build earned media at scale.[7]

D. Analysis

- ☐ 10. **Social Listening / Analysis of Crowd:** While it's not possible to respond to the chicken-and-egg question of which medium drives the others (the answer will always vary), having a system in place to monitor conversations in social and earned media channels is a critical component to success. It often serves as the germ of the creative idea and is essential for responding to consumers or optimizing the approach.
- ☐ 11. **System for Identifying & Measuring KPIs:** As with any marketing initiative, KPIs must be defined at the outset of campaigns or initiatives, and a system of measurement designed to determine if goals are being achieved.

A. Strategy

1. Understand the Changing Forces of Converged Media: When it comes to implementing an integrated paid, earned, owned strategy, brand marketers must possess an understanding of the changing forces of converged media, including emerging practices, content types, technologies, channels, behavioral, and other trends. "This really begins with understanding the consumer at the cognitive level in an incredibly dynamic environment," says Alex Craddock, Head of North American Marketing for Visa. A number of interview subjects mentioned building this awareness by conducting an audit to first understand where the brand sits relative to these forces (content, technology, industry, consumer behavior, channels, etc.).

"Look around to see what paid, owned, and earned trends look like today, in digital, in your industry, for your consumers; then do an internal audit," advises Gary Stein, Executive Vice President of Strategy for iCrossing. When surveyed, marketers are evenly divided on which (paid, owned, or earned) media has the greatest impact (sales, new customers, revenue) on the business, suggesting different media types support different businesses in different ways.[8] While there is no one-size-fits-all in the successful integration of paid, earned, and owned media, success is contingent upon understanding what will resonate within the paradigm (internally and externally) of your organization.

2. Plan a Stable Foundation: Many marketing and communications departments are executing on one, two, or even three media channels, yet these are disparate executions with little insight or relationship to one another. We continually heard tales of overlapping budgets, varying (sometimes conflicting) objectives between teams, and silo'd or redundant communications internally and externally between agencies or vendors. The insights that come with analyzing earned media instruct and inform the areas in which to amplify using paid and where to innovate with respect to owned. Owned media provides the platform upon which earned and paid can exist and is foundational to the brand presence and messaging, which inspires earned. Paid media helps drive volume to owned and earned channels, and ultimately what amplifies the brand message.

B. Organization

3. Ability to Achieve Earned at Scale: "Social is unique because it allows marketers to grow relationships at scale," says Reggie Bradford, CEO of Vitrue. While earned media is the most challenging to measure for direct ROI, it's also the most powerful medium for achieving brand goals such as advocacy, loyalty, retention, and, ultimately, increased sales. But quality earned alone is not enough; brands must leverage paid and owned media to drive quantity. Many brands, agencies, and vendors interviewed reiterate that the main challenge to scale in earned media (and for the industry at large) lies in the immaturity of the technology and how it impacts agility.

Michael Chin, VP of Marketing & Business Development for SocialFlow explains, "[Growing earned] comes down to comparing what your customers are saying about the brand with what the wider social audience is talking about in their own conversations. It's that data-driven portion that allows you to adjust in real time, but accessing it has been a difficult nut to crack for the industry — we're largely driven on gut intuition today. Scale and maturation of this has to involve a data-driven approach." Achieving earned at scale does not happen overnight; rather it is an ongoing effort of consistent brand messaging, reaching the right people at the right times from the right angles, supported through listening and publishing tools, media agency partners, and a fundamentally agile approach.

4. Align Teams and Departments: The most simultaneously challenging, yet essential, element to streamlining converged media execution is overcoming the cultural silos that exist internal to the organization. Brands we spoke with emphasized alignment in a number of historically autonomous areas: ownership, communication/collaboration, campaign goal(s), and budget. In the past, communication between the ad buying team and customer service, communications/PR and social strategists, and influencer relations and the creative team (to name a few combinations) is limited. Paid, earned, and owned stakeholders must meet at the table to plan initiatives, content, creative, media, and strategies that link them. Nancy Bhagat of Intel explains her recent decision to merge her social and global media teams: "Why does this make sense? I found we were having similar conversations across teams.

For the past several years, I have been encouraging every opportunity for them to work as one, sharing information and insights — driving cross media opportunities with our partners and thinking about a new world where the idea of "paid" or transactional media dissolves."[9] Without partial ownership, there's a risk of channels becoming weak links and afterthoughts rather than essential components of the larger initiative and strategy.

5. Align Agencies & Vendors: The importance of alignment extends beyond the internal organizational structure, externally, to agencies and vendor partners. Brands' partner companies require briefs that define the scope of paid, owned, and earned convergence. Each will have individual areas of specialization and expertise, yet full-picture visibility is essential for all partner companies. "From a Coke [brand] perspective, we sit in partnership across strategic, creative, executional, and implementation cycles, involving communication among the groups collaborating across all of those. Sometimes the voice leans in favor of one, sometimes the other, but we always have these teams working together around the brand position," asserts Coca-Cola's VP of Global Advertising Strategy & Creative, Jonathan Mildenhall.

Agencies and vendors we interviewed also identify the need for inter-partner harmony, even suggesting brands play the role of "general contractor," as Stephanie Agresta, EVP Managing Director of Social Media for Weber Shandwick put it. "Brands have to insist that everyone plays nice in the sand-box. There are a lot of agencies that resist this type of cooperation and co-opetition. Brands must set the standard and have a defined role integrating the different specialty disciplines (all of which are required to successfully launch a campaign). The result of this approach is that the best creative thinking emerges and industry best practices are established."

C. Production

6. Aligned Content/Creative Across Channels: Humans build relationships with brands in the same ways they do with other humans: through ongoing interactions, establishing trust and mutual benefit/value. As digital channels continue to evolve, so does the audience's options for consumption. Aligning content across channels is paramount for driving consistent brand messaging, value, look, and feel. Stakeholders across paid and owned channels must also be aligned on branding elements from day one. David Berkowitz, VP of Emerging Media for 360i commented, "Brands must own their overall story, for that enduring message is what defines the brand. Finally, they must make sure all stakeholders and their marketing assets are marching to the same beat." True content alignment should be a natural extension of the organizational alignment that must occur among paid, owned, and earned channels.

7. Real-Time Capabilities: To be effective in paid, owned, and earned media, integration must be agile. Agility is a derivative of effective listening, measurement, and resource allocation, as well as market, cultural, and media awareness. The organization must also facilitate agility in its converged media strategy by providing the proper labor resources, buy-in from stakeholders, communication channels between these stakeholders (internal and external), and empowerment to act. Jonathan Mildenhall, Coca-Cola's VP of Global Advertising Strategy & Creative advises "scenario planning," wherein strategy involves "modeling different consumer conversations around the media hierarchy. What happens if we start with paid? With earned? With owned? Then model different conversational responses from there." Real-time capabilities (measurement, benchmarking, reporting, attribution, engagement, support, etc.) are what enable this agility and the ability to respond and act rapidly and efficiently — something particularly critical in earned media.

8. Channel-Flexible: The empowered and dynamic customer has choices; choices in the platform they use to consume information, how social they want to be in the process, and the time of day they wish to do so. Thus, it's important for brands to extend their presence across multiple channels and platform types. Nichole Goodyear, Executive Director of the Social Media Advertising Consortium (SMAC) emphasized the importance of a multi-channel approach for brands, claiming, "You have to have not only a wide presence, but make sure the brand has an active presence everywhere — not just Facebook, Twitter, and its website, but also emerging platforms like Pinterest and

Klout." With consistent messaging, brands can reach their audiences wherever they are at any time. This distributed presence is a cornerstone to successful paid, earned, and owned integration, both in terms of brand ubiquity from a consumer standpoint and revealing demographic and behavioral insights from the brand standpoint.

9. Influencer Relations: In a world where peer reviews are consumers' most-preferred decision-making tool[10] influencers comprise a key constituent that brands simply cannot afford to ignore. Influencers can play a role to amplify the brand message across all media types, whether touting the product in an unprompted "earned" setting, being the voice of a "paid" campaign, or even through offering guidance or advice on an "owned" platform. Analysts, bloggers, celebrities, expert practitioners, and news commentators are just a few of these influential consumers who carry large and engaged fan followings. Consider that mass influencers, those with the greatest online reach, account for less than a fifth of the online population, but comprise the vast majority (some four-fifths) of online impressions.[11] The extent to which brands can leverage these key consumers depends on their ability to interact with them effectively. Brands must take special steps with these types of customers by ensuring a positive interaction (purchase, support, dialog, engagement), offering them brand experiences that resonate consistently and keeping their finger on the pulse/message/behavior of such key influencers.

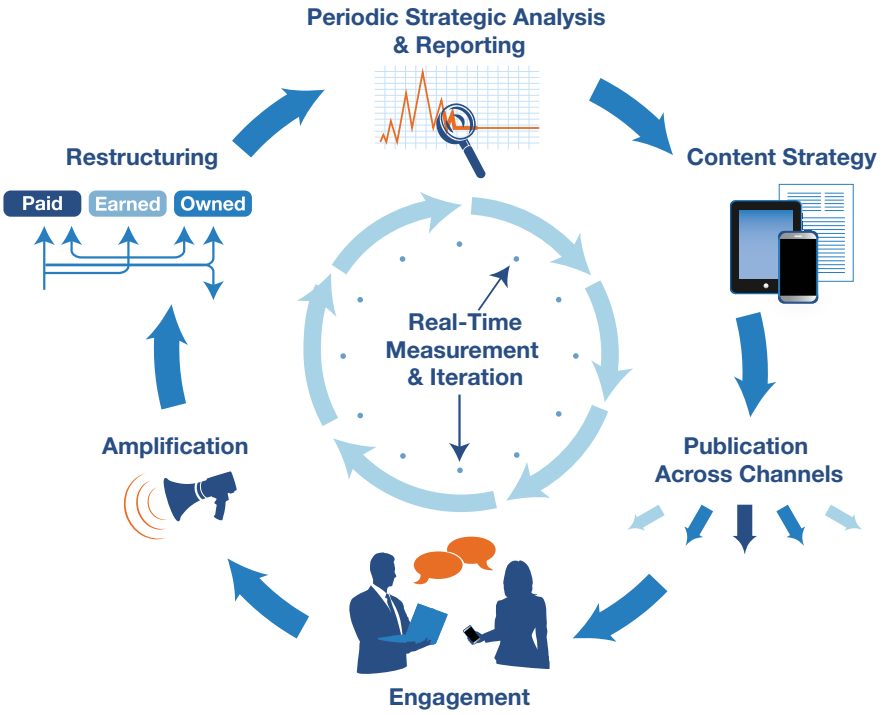
D. Analysis

10. Social Listening/Analysis of Crowd: Consumers, not marketers, drive successful marketing. No matter the medium (paid, owned, or earned), customers determine success. Successful integration of paid, owned, and earned media require agility, both to shift campaign strategies quickly and experiment with pilot campaigns and idea-testing. Listening, monitoring, and measurement are instrumental in substantiating this level of rapid decision-making. "Experimentation is absolutely critical," says Joshua Backer, EVP of Ad Operations at Unified. Comprehensive measurement and analysis is challenging. Brands inevitably have different needs, metrics, incumbent technologies, and integration requirements, regardless of the relative immaturity of the converged media space.[12]

Erik Huddleston, CTO & EVP of Product for Dachis Group points out, "The biggest issue right now is measurement. You invest all this labor and thought into it, but it's tough to quantify. Even if you come up with quantitative methodology, it's an attribution problem. Not only is it a platform in which you're marketing, but it's also a mirror into the effective impacts of everything else you're doing, both owned and paid." Listening and tracking consumers' behavior around each media type is paramount to maximizing the impact of the investment. Analysis of the crowd can instruct strategy, while technologies that track individual behavior can facilitate better engagement on a customer-by-customer level.

11. System for Identifying & Measuring Key Performance Indicators (KPIs): Measuring the impact of any investment is important, but in the world of real-time marketing, it is essential. Joshua Backer, EVP of Ad Operations for Unified adds, "Measure as much as possible! Go as deep as you can into attribution in order to separate the signal from the noise. Focus on what is driving the highest-quality signal." And so the system for identifying KPIs must instruct the ongoing measurement itself. KPIs should be established at the onset, but brands must also constantly have their ears to the ground for engaging consumers along each step of the customer journey — from consideration to purchase, to support to loyalty. These metrics are fluid and may shift based on customer segment, platform, campaign assets and goals, even external forces like cultural events, etc. Measurement and analysis help marketers become smarter. In a world of converged media, they are the foundation from which investment potential is established, understood, optimized, and realized.

Figure III: Converged Media Workflow

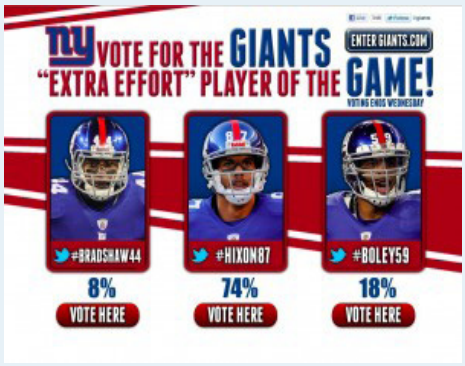


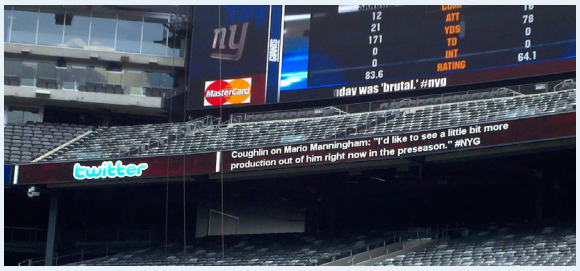
Source: "The Converged Media Imperative: How Brands Must Combine Paid, Owned & Earned Media" Altimeter Group (July 19, 2012)

Savvy Brands Deploy Successful Converged Media

In our research and analysis of brands, agencies, and vendors, we found that certain companies are indeed beginning to converge media successfully and with results. While many brands are converging two media types, few have effectively integrated all three. Following are case examples of companies combining two or more media types, both online and offline.

Owned + Earned: The New York Giants bring social events to owned venues, generating earned buzz



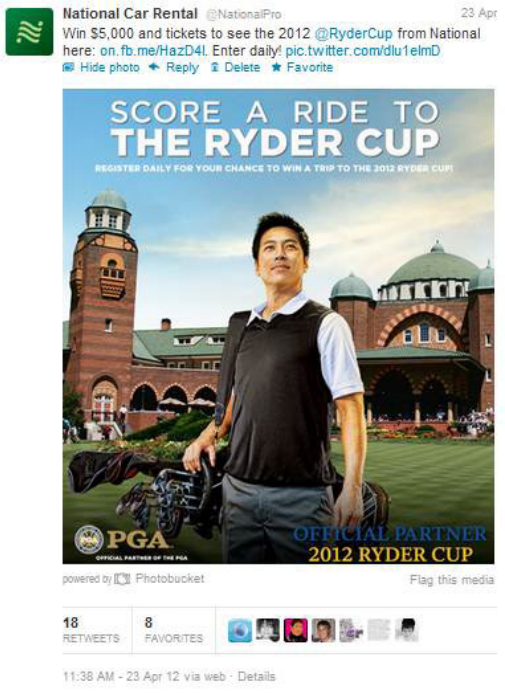


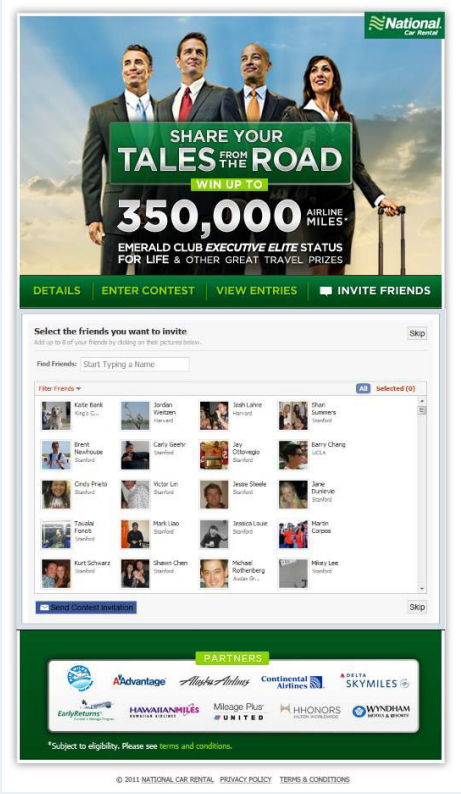
The New York Giants digital team created a year-round program of social promotion and curation campaigns in order to cultivate engagement with fans on and off the field. Beginning in the pre-season, the Giants would become the first professional sports team to integrate live tweets both in the stadium and on TV for viewers at home. Using social curation, tweets were enabled on-site via the stadium Jumbotron, while simultaneously televised; there were website polls and pre-game Twitter Q&As. The team also created Twitter-based commerce tie-ins for shop.giants.com.

Results: Increased ecommerce sales via Twitter-driven discounts; Twitter followers grew 122.87% in the 2011 preseason (7/28–9/12). Team jumped from ranking 20th to ranking 3rd for most NFL Twitter followers. Halloween Costume Contest Campaign attracted 7,000 votes, driving amplification and awareness.

(Vendor: Mass Relevance)

Earned + Paid + Earned: Earned media trends enable agile investment in paid



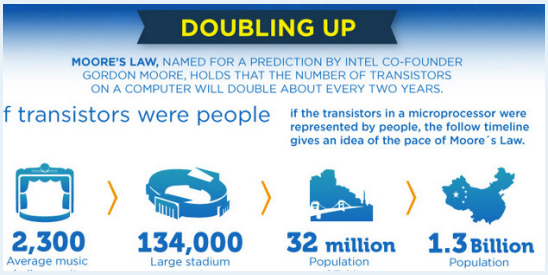


National Car Rental's first Facebook campaign, Tales of the Road, asked fans to share travel stories for a chance at 350,000 airline miles and "elite" status in their loyalty program. National listened to the hundreds of submitted stories and learned fans will share qualitative information about their travel habits in exchange for travel perks. Based on this insight, National planned the next activation in the form of a sweepstakes on both Facebook and Twitter, utilizing paid Page Post Ads, Facebook Marketplace Ads, community messaging, Promoted Tweets and Promoted Accounts to encourage increased engagement and growth. In roughly three weeks, the Blast from the Past sweepstakes generated more than 400 entries, thousands of new fans and thousands of new followers, indicating that fans are not only willing to engage and share content, but were also competitive. Based on the knowledge that their fans were driven to engage and compete in sweepstakes-like activations, National launched the Ryder Cup Facebook sweepstakes that offered fans four tickets and $5,000 for a trip to the event itself. In addition to investing in more paid promotion based on these insights, National deployed community messaging on both Facebook and Twitter to drive even more engagement and to help tap into fans' competitive behavior in a social setting. By listening to each campaign, National can not only adjust activations, but instruct ongoing and future campaign design as well.

Results: With each campaign, National gained thousands of new Facebook Fans and Twitter followers within a month below target cost-per-fan goals (in both channels). Facebook paid media generated tens of thousands of engagements below cost-per-engagement goals. Total Facebook fan base grew 30% as paid engagement spread virally. The campaigns achieved PR placement in major publications, garnering millions of impressions as a result.

(Agency: 360i)

Paid + Owned + Earned: Trifecta amplification: paid to owned to earned



A Fortune 100 technology brand paid social influencers to create engaging and authentic content across a number of their own(ed) media properties. This content aligned with themes related to the brand's products and initiatives. The paid content gained earned amplification as influencers shared content across their social networks. Engagement and links were then driven directly to the brand's owned social properties, including their blog, Facebook, Twitter, Google+, Tumblr, and YouTube channel. A total of 121 pieces of content were produced (text, video, infographics, images, etc.) across only 24 influencers.

Results: Over 1.1M social interactions were generated, an average of 9,314 per piece of content.

(Vendor: Social Chorus)

Real World: ClearChannel makes the audience the media

ClearChannel has a recent and very integrated example of converging media through digital billboards, gesture recognition, and social media interaction with their Crowdplay Media approach, designed to engage consumers and woo advertisers. This summer, ClearChannel Spectacolor is activating the "Times Square Dunk Tank." The campaign will run on the hour throughout the summer and starts with a carnival barker inviting passers-by to help dunk the Painted Lady (actress/model Sabina Kelley), or the Strong Man (stuntman Robert Miller).

ClearChannel integrated digital channels as part of the engagement process, inviting players to watch on YouTube and vote on Twitter to determine who gets dunked. (Tweets are broadcast on the Jumbotron). When voting closes, a giant augmented reality ball is released "into" the crowd, which they can bounce until it hits the target (the dunkee).

Results: Dunking occurs 3X per hour, and results thus far indicate ClearChannel sees c. 500 participants per dunking; 1,500 people per hour. In addition to the live events, ClearChannel created a YouTube channel and a Facebook page and application as a virtual campaign home base. Participants nationwide will submit video auditions online to be chosen as "the dunkee" to be flown to L.A. and New York over Labor Day Weekend for filming.

Challenges

Transparency & Disclosure While consumers are distinguishing less between paid, owned and earned media, it remains incumbent on brands to be ethical and transparent in their marketing. Altimeter will be publishing a report on Social Risk Management in Q3 2012.[13] Now more than ever, brands require policies around these issues, either on a corporate level and/or by adhering to policies outlined by trade organizations and other industry bodies, e.g. the Word of Mouth Marketing Association (WOMMA).[14]

Other legal and ethical areas marketers cannot ignore in converged media include:

- Privacy
- Endorsements and Testimonials (see FTC guidelines)[15]
- Opt-in
- Targeting

Attribution-Noncommercial-Share Alike 3.0 United States | © 2012 Altimeter Group |

Recommendations for Marketing Leaders

Altimeter found that flowing paid, owned, and earned into a single media stream requires a champion at the executive level. A series of changes must occur spanning internal organization, working with agency partners, and utilizing software providers. Based on 35 interviews, Altimeter found a pattern of pragmatic recommendations that senior marketers and both their internal and external teams must follow:

CMOs and Their Teams Must Make Converged Media a Reality

First, brands must prepare internally. The need to change how content flows between different groups within marketing is altered, requiring strong leadership. Marketing leaders should:

- **Reinforce the goals and opportunities of converged media.** Converged media is a shift in how media are deployed. Elements of social, advertising, and corporate content are merged into one, with rapid iterations and in-flight changes balanced by frequent engagement. The cost to the organization will be high, so the leadership team must communicate the benefits include: a cohesive story told across channels, deeper engagement as the crowds' content is integrated, and reduced costs by aligning all internal and partner teams. Unify around an agreed-upon set of data to measure success. Get everyone using the same metrics and the same dashboard.
- **Bridge internal teams.** To start, marketing leadership will need to guide internal teams together that span corporate communications, media buyers, and social teams to communicate and tell one story. To do this, we expect new roles to emerge that report to marketing leaders and will run day-to-day operations; early titles around content strategists or digital storyteller may emerge, often stemming from a background in media, editing, or journalism. Breaking down silos is essential.
- **Hone media creation capabilities.** Owned media is increasing in importance — content is the glue that holds this troika together. It's incumbent on brands to develop content strategies that are sustainable and scalable. "Brands don't have internal content creation abilities; that means they don't know what they stand for long term," said Wetpaint's CEO Ben Elowitz. Specific skills to develop include creating a unified brand voice, building a foundation of content creation that spans all channels, and developing real-time capabilities across all these channels.

Foster an Alliance of Ecosystem Partners

Media agencies are a major factor in determining how budget is spent — with a bias, of course, toward paid media. Yet agency revenue models are potentially threatened by integrating POE, effectively emphasizing a channel that is not their area of specialization. Agencies will no longer be the de facto drivers of campaigns. This is particularly true of media agencies and their focus on the supremacy of paid media. In addition to developing a deeper understanding of earned and owned channels, agencies must also collaborate with social media, PR, and other ecosystem players to map strategy and then collaborate as a team.

- **Create incentives for agency and vendor collaboration.** Recognize that agency and vendor revenue models often work against collaboration. To achieve this, they must ensure all partners use the same KPI and ensure both media and creative people collaborate on the idea. "Creatives usually focus on the quality of the idea while media partners focus on the number of impressions. In a converged world, both need to align around generating engagement and driving business results," says Mark Bonchek, former SVP of Communications & Networks for Sears Holdings. It's incumbent on the brand to bring all agency partners to the table to collaborate, as well as to incentivize collaboration (rather than competition) between partners who often view each other as rivals.

- **Give agency leaders who can bridge the functions a seat at the decision-making table.** Inside larger agencies, social, community, and content roles are growing in prominence. Collaboration between these functions must not only deepen but also be genuinely cooperative, not just lip service paid to clients demanding it. New roles are needed, again to connect and align on campaign goals involving KPIs beyond sales and audience: "If I run a two-week TV burst, I'll get some sales uplift but also deliver more Facebook followers or fans. Now somebody needs to connect this all up. All the stuff that happens between campaigns needs to be optimized and fed," according to Nick Burcher, Global Head of Social Media at ZenithOptimedia Worldwide and author of the book *Paid Owned Earned - Maximizing Marketing Returns in a Socially Connected World*. Marketing leaders at brands must pull in the cross-departmental agency leader and give them a seat at the decision-making table.
- **Work closely with agency partners that have deep expertise in tools and data.** A marked advantage of agencies is their experience in using tools around social media, data, and metrics; having staff on hand that's specialized in the use of these tools; and keeping abreast with new product and technological developments. Agencies are well positioned to maintain this edge. 1) Big data: Larger agencies/holding companies are best positioned and equipped to deal with and to interpret big data — that's an advantage. The disadvantage is the intelligence gleaned from data is too often siphoned into media functions rather than social or content/owned disciplines. 2) SMMS tools: Again, a must-have for agencies with social media practices and capabilities. The question again is how learning is disseminated to other divisions and made actionable, as well as unified across paid, owned, and earned media.

Manage Software Providers by Building Integration

Software vendors historically come and go, so brands must invest in an internal program that can bind together contingency issues. Now that integrated suites are emerging, the space is starting to mature.

- **Dozens of earned media vendors are being snapped up by suites.** In 2010, Altimeter Group identified over 16 specific classes of software vendors; some classes had over 100 vendors with more coming due to low barriers to entry and excessive VC funding. In 2012, there's an acceleration in mergers and acquisitions, as both successful startups are making acquisitions in related markets, and enterprise players like Adobe, Oracle, Salesforce, ExactTarget, IBM, and Microsoft start an acquisition path toward the promise of a one-stop-shop suite.
- **Suites aren't mature, so brands and partners must still integrate point solutions.** Despite an effort to roll out APIs and develop ecosystems, all systems don't easily share information or integrate with other software packages. Oracle's acquisition of Involver and its large developer ecosystem will cause a rise for developers and system integrators to connect point software with existing enterprise platforms. Although we expect converged media software solutions to emerge from vendors like Adobe and Salesforce, we see adjacent markets like performance marketing and marketing automation quickly move into this space, bridging multiple media types.
- **Develop a software criteria list particularly focused on players that integrate and have exposed APIs.** Brands are at risk of over-investing in a single software solution before the market is fully mature. When shopping, brands should create a criteria list and evaluate vendors on the following attributes: 1) current ability to manage multiple media types; 2) partnerships with adjacent media types from paid, owned, and earned media; 3) existing exposed APIs and a developer ecosystem; and 4) roadmap for next 12 months to partners with others. Brands should be wary of vendors who lack capabilities in these criteria areas and avoid getting locked into software and contracts that restrain them.

Conclusion

The convergence of paid, earned, and owned media is a reality. This commingling of media channels is hardly limited to ad hoc occurrences on social networks. Rather, it has become a business model. From software vendors such as Bazaarvoice to social networks like Facebook, products and services are being built around models that combine paid, owned, and earned media to increase marketing effectiveness, cut through clutter, and drive awareness to conversion across the myriad channels that have become essential to the dynamic journeys customers take across digital channels, digital screens, and, as all media becomes digital, both offline and online media consumption.

As consumers become increasingly mobile, paid/owned/earned convergence will intensify. Rapid journeys across multiple digital devices will increasingly blur the lines until almost all distinction between paid, owned, and earned media dissolve.

Companies that don't prepare for this convergence now in digital channels will be at a marked disadvantage for two reasons.

- Paid, owned, earned integration is already bleeding into more traditional forms of media, beginning with television. As traditional forms of media (broadcast, books, periodicals) become more digital, POE convergence will be pervasive.
- As the Internet of things becomes a reality, in 10 years media will be embedded into and around common objects. Products, appliances, and tools will contain data. Initially, this information will be paid and owned, but very quickly earned components will develop and commingle with other information.

Preparing for POE integration is therefore not just a demand of present reality, but an inevitable necessity of the future of marketing, advertising, and communications.

Appendix

Altimeter has taken hundreds of briefings from technology vendors. Following is a short list of vendors that span multiple avenues of converged media for enterprise class corporations. We expect this to be the precursor to the next generation of digital marketing suites that enable brands, and their agencies, to use a single system for their marketing efforts. Don't expect integrated suites (sometimes called "stacks") to be the only avenue. Best-in-class products will emerge from focused and nimble providers that will integrate within the ecosystem.

Figure IV: Vendor Showcase: Converged Media Software Providers

	Features	Strengths	Opportunities
Adobe	Ads, Targeting, Analytics, Social Media Management System, CMS with social capabilities, creative software, and collaboration technology with creatives	Adobe is the first contender to announce capabilities of a digital marketing suite that spans advertising, social engagement, and website integration across paid, owned, and earned with analytics powered by Omniture.	Although it made several acquisitions, it will need to bring these tools together into a cohesive suite and bring forth customer case studies showing success along the entire customer journey and across paid, owned, and earned.
Bazaarvoice	Website integration features, including ratings and reviews and more, advertising content via "media" product, analytics	Hailing as a leader in website integration of ratings, reviews, comments, and beyond, it recently acquired SMB competitor PowerReviews. In spring 2012, it announced a media product that cascades social content into IAB ads outside of the Facebook network.	Bazaarvoice provides strong capabilities at point of customer "intention" in ecommerce and corporate website integration, but must also expand to engagement in social networks in consideration phase. Brands using BV must also invest in SMMS technologies and brand monitoring to complete toolset.
ExactTarget	Email marketing, social engagement software, landing page software, mobile marketing, and analytics	Stemming from a strong position in direct marketing, it has acquired CoTweet for intense customer engagement and has a strong platform for analytics, as well as microsite and website capabilities to integrate both direct and social marketing.	While one of the few vendors to prepare to launch a full digital marketing suite, it must develop tools that integrate with Facebook, customer support, and innovation technologies beyond the use case of direct marketing.

	Features	Strengths	Opportunities
Google	Search marketing suite, social network, applications, and analytics	Google's strengths in search marketing has started to extend to Google+, although adoption numbers are a fraction of other social networks. Expect that Google Analytics combined with collecting of data from Google+ will impact search results in search engine results pages.	Despite Google's overall dominance, Google+ opportunities for brands is paltry at best, making integration difficult beyond text-based engagement. Furthermore, targeted social ads such as those offered by Twitter and Facebook leave brand marketers unsure how to approach converged media with Google.
IBM	IBM has moved forward with market share with Enterprise Marketing Management via Unica and Coremetrics offerings.	IBMs legacy of data management and predictive analytics gives them an advantage over startups who lack ability to process deep data at enterprise level. They provide direct and performance marketers solutions for accurate publication and accuracy of reach.	Marketing spans further than content and advertising optimization cross-channel, and IBM must now invest in engagement software that combines corporate content beyond publishing to social engagement in both marketing and support. Brands, and their agency partners are deploying engagement through social, gamification, and tools beyond publishing optimization.
Lithium	Community software, brand monitoring, social media management system, analytics	The tried and true leading vendor in customer-facing online branded communities, Lithium also has brand monitoring capabilities and has partnered to offer social media management system capabilities.	It must quickly up its brand message to focus on marketing beyond support and turn unstructured customer reviews into structure content for advertising content, as well as deploying an ad media solution.
Oracle	Social Media Management System (Vitrue), Social Analytics (Collective Intellect) CRM	New entrant, it acquired Vitrue for an assumed $300M, showing the promise of social data into existing CRM systems could be a reality.	Will need to reinforce to market the rollout and how these products tie to the overall Oracle mission, as well as invest in advertising or marketing automation.

	Features	Strengths	Opportunities
Salesforce	CMS, social marketing platform, advertising, CRM, social automation, brand monitoring, and analytics	With a nod toward its Marketing Cloud, Salesforce has made a hefty acquisition in Buddy Media (along with ad platform Brighter Option), giving birth to the marketing cloud, Site.com, and other tools for marketers.	Primarily known as a customer support and sales solution provider, Salesforce will need to integrate these products into a single digital marketing tool and undertake intense marketing to reshape brand perception.
Thismoment	Offers digital marketing infrastructure technologies that enable media, social, and owned content to consistently appear across microsites, websites, social networks, using a content and media management platform.	This industry secret has raised funds, built a team of over 150 employees, and has been quietly building enterprise class software for brand marketers and agency partners. This toolset can allow marketers to govern content and deploy and manage across a distributed marketing landscape.	Focused on owned content, and the ability to aggregate social content, this vendor lacks an advertising solution to either promote content that's resonating or tap into media buying partners to amplify content. While it has analytics that report on activity, it must further provide marketers with insights on why content resonated and then suggest how marketers should respond.
Social Networks: Facebook, Twitter	Facebook offers a number of products, such as social ads, brand pages, and a thriving ecosystem of developers and apps. Twitter allows brands to create accounts with sponsored ads and other advertising offerings.	Corporations have been quick to tally up fans and followers in the social networking race, spurring traction for these social networks. Now these tools integrate on corporate websites, providing social context through social sign-on features.	These vendors must show clear ROI for advertising dollars spent and provide an advertising network beyond their destination domain. In particular, Facebook extended ads to Zynga network, showing how social ads can extend beyond.[16]

Ecosystem Input

This report includes input from market influencers, vendors, and end users who were interviewed or briefed by Altimeter Group during the course of this research. Input into this document does not represent a complete endorsement of the report by the individuals or companies listed below.

Agencies (14)

Stephanie Agresta, EVP Managing Director of Social Media, Weber Shandwick
Jon Baker, President of Client Services, JWT
Vivek Bellore, Director of Analytics, Attention USA
David Berkowitz, VP Emerging Media, 360i
Sean Corcoran, SVP Director of Digital Media & Social Influence, Mullen
Todd Defren, Principal & Co-founder, Shift Communications
Robin Grant & Nathan McDonald, Co-founders, We Are Social
Erik Huddleston, CTO & EVP Product, Dachis Group
Rob Key, Founder & CEO, Converseon
Rachel Lawlan, Director of Strategy, AKQA
Michoel Ogince, Director Platform & Product Strategy, Big Fuel
Ian Schafer, CEO, Deep Focus
Gary Stein, EVP Strategy, iCrossing
Rick Williams, Director of Creative Development, AKQA
Matt Wurst, Director of Digital Communities, 360i

Brands (7)

Mark Bonchek, Former SVP Communities & Networks, Sears Holdings
Becky Brown, Director of Social Media Strategy, Intel
Alex Craddock, Head of North American Marketing, Visa
Corinne Kovalsky, Director of Digital & Social Media, Raytheon
Jonathan Mildenhall, VP Global Advertising Strategy & Creative, Coca-Cola
Alex Samano, Director of Marketing, T-Mobile
Umang Shah, Director of Social Strategy, Wal-Mart

Software Vendors (9)

Joshua Backer, EVP Ad Operations, Unified
Brant Barton, GM, Bazaarvoice Media Solutions
Reggie Bradford, CEO & Head of Strategy, Vitrue
Michael Chin, VP Marketing & Business Development, SocialFlow
Sam Decker, Co-founder & CEO, Mass Relevance
Ben Elowitz, CEO, Wetpaint
Michael Lazerow, CEO, Buddy Media
Tatiana Mejia, Sr. Product Marketing Manager, Adobe
Tom Rikert, Director of Product Management, Wildfire/Adaptly
Jim Rudden, CMO, Spredfast

Media Companies (1)

Brad Smallwood, Head of Measurement & Insights, Facebook

Industry Experts (3)

Nick Burcher, Global Head of Social Media, ZenithOptimedia Worldwide
Nichole Goodyear, Executive Director, Social Media Advertising Consortium
Mitch Joel, President, Twist Image

Altimeter conducted briefings with the following companies as part of the research for this report:

Awareness, Inc.
Badgeville
Gigya
CoTweet
Echo
Eloqua
ExactTarget
Expion
Extole
Falcon
Fliptop
Google (Google+, Analytics)
Hearsay Social
Hootsuite
IBM Coremetrics
Jainrain
Lithium
LiveOps
LiveWorld
Magnet360
Marketo
Melt Water Buzz
NextPrinciples
NodeXL
Plexus Engine
PunchTab
Salesforce
Social Dynamx
Spiceworks
Strutta
Thismoment
uberVU
VaynerMedia
Webtrends
Zuberance

Acknowledgements

With thanks to The Academy, Nissa Anklesaria, Clint Bagley, Tom Bedcarré, Jon Cifuentes, Regina Denman, Susan Etlinger, Jessica Groopman, Asha Hossain, Cheryl Knight, Charlene Li, Chris Silva, Brian Solis, Christine Tran, Julie Viola, and Alec Wagner

End Notes

[1] Research suggests the average person consumes (passively) anywhere from 1,500-20,000 brand impressions per day. http://articles.latimes.com/2012/jul/08/business/fi-ct-digital-ads-20120708/2 http://answers.google.com/answers/threadview?id=56750

[2] TV channel in the United Kingdom which now only airs shows with have generated significant activity (conversation, sharing, etc.) online in social forums. http://adage.com/article/global-news/u-k-channel-air-shows-social-media-buzz/235245/

[3] Jeremiah Owyang calculates 525 potential permutations (different paths along the customer journey) per persona (5 sources of information x 3 media types x 5 different screens) http://www.web-strategist.com/blog/2012/05/21/altimeter-research-theme-the-dynamic-customer-journey/

[4] Data from the Society of Digital Agencies suggests marketers are increasing spend in digital advertising, decreasing spend in traditional in 2012. http://www.marketingcharts.com/direct/marketers-shifting-budgets-from-traditional-to-digital-media-21246/soda-marketers-budgets-2012v2011-feb-2012jpg/ http://www.marketingcharts.com/direct/cmos-say-digital-cannibalizing-budgets-from-traditional-media-21652/

[6] Jeremiah Owyang identifies the Social Business Stack, where he identifies the seven major categories and 18 specific classes within the social business software space. http://www.web-strategist.com/blog/2010/11/05/industry-reference-the-social-business-stack-for-2011/

[7] The Rise of Digital Influence: A "How-To" Guide for Businesses, by Brian Solis, summarizes how influence spreads and define and measure strategic digital influence initiatives. http://www.altimetergroup.com/research/reports/the-rise-of-digital-influence

[8] Zuberance ran a survey in spring 2011 asking marketers which type of media (paid, owned, or earned) best supported their business objectives; results were split 32% Paid; 32% Earned; 36% Owned respectively http://blog.zuberance.com/events/slidecast-a-marketing-imperative-balancing-paid-vs-earned-media/

[9] In her blog, Musings of a Marketer, Nancy Bhagat discusses her company's recent decision to merge internal teams, specifically their global media team and their social media team. http://blogs.intel.com/marketeer-musings/2012/06/22/the-blending-of-media/

[10] Nielsen research suggests consumers most trust their peers and consumer opinions posted online as a form of advertising, 2009. http://blog.nielsen.com/nielsenwire/consumer/global-advertising-consumers-trust-real-friends-and-virtual-strangers-the-most/

[11] Forrester Research, 2011 suggests 'Mass Influencers' make up only 16% of the online consumers but account for 80% of the influence impressions about products and services. http://mashable.com/2010/04/25/word-of-mouth-marketing-stats/

[12] A Framework for Social Analytics, by Susan Etlinger outlines the key challenges of social data, measurement and analytics, and recommends pragmatic steps that companies engaged in social media must follow. http://www.altimetergroup.com/research/reports/a-framework-for-social-analytics

[13] Altimeter will be publishing a report on Social Risk Management in Q3 2012. Find it here: http://www.altimetergroup.com/research/reports

[14] WOMMA policies found here: http://womma.org/_main/images/socialmedia/WOMMA%20Disclosure%20Guide.pdf

[15] FTC guidelines found here: http://www.ftc.gov/opa/2009/10/endortest.shtm

[16] Facebook Ad Network growing, as Facebook ads are are now running on Zynga.com http://techcrunch.com/2012/06/22/zynga-facebook-ads

Open Research

This independent research report was 100% funded by Altimeter Group. This report is published under the principle of Open Research and is intended to advance the industry at no cost. This report is intended for you to read, utilize, and share with others; if you do so, please provide attribution to Altimeter Group.

Permissions

The Creative Commons License is Attribution-Noncommercial-Share Alike 3.0 United States at http://creativecommons.org/licenses/by-nc-sa/3.0.

Disclosures

Your trust is important to us, and as such, we believe in being open and transparent about our financial relationships. With permission, we publish a list of our client base on our website. See our website to learn more: http://www.altimetergroup.com/disclosure.

Disclaimer

ALTHOUGH THE INFORMATION AND DATA USED IN THIS REPORT HAVE BEEN PRODUCED AND PROCESSED FROM SOURCES BELIEVED TO BE RELIABLE, NO WARRANTY EXPRESSED OR IMPLIED IS MADE REGARDING THE COMPLETENESS, ACCURACY, ADEQUACY, OR USE OF THE INFORMATION. THE AUTHORS AND CONTRIBUTORS OF THE INFORMATION AND DATA SHALL HAVE NO LIABILITY FOR ERRORS OR OMISSIONS CONTAINED HEREIN OR FOR INTERPRETATIONS THEREOF. REFERENCE HEREIN TO ANY SPECIFIC PRODUCT OR VENDOR BY TRADE NAME, TRADEMARK, OR OTHERWISE DOES NOT CONSTITUTE OR IMPLY ITS ENDORSEMENT, RECOMMENDATION, OR FAVORING BY THE AUTHORS OR CONTRIBUTORS AND SHALL NOT BE USED FOR ADVERTISING OR PRODUCT ENDORSEMENT PURPOSES. THE OPINIONS EXPRESSED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE.

About Us

Rebecca Lieb, Digital Advertising & Media Analyst

Rebecca Lieb (@lieblink) is an analyst at Altimeter Group covering digital advertising and media, encompassing brands, publishers, agencies and technology vendors. In addition to her background as a marketing executive, she was VP and editor-in-chief of the ClickZ Network for over seven years. For a portion of that time, she also ran Search Engine Watch. She's written two books on digital marketing: The Truth About Search Engine Optimization (2009) and Content Marketing (2011). Rebecca blogs at http://www.rebeccalieb.com/blog/

Jeremiah Owyang, Altimeter Partner, Digital Strategy Analyst

Jeremiah Owyang (@jowyang) focuses on social business and disruptive technologies for customer strategies. Previously, Jeremiah was a Senior Analyst at Forrester Research, Director of Corporate Media Strategy at PodTech Network, and Manager of Global Web Marketing at Hitachi Data Systems, where he launched its social media program from 2005–2007. He writes the Web Strategy blog (http://www.web-strategist.com).

Jessica Groopman, Researcher

Jessica Groopman (@jessgroopman) is a Researcher with Altimeter Group where she researches and analyzes shifts in consumer behavior and the evolving challenges and opportunities of disruptive technologies on businesses. She has experience in business, technological, and anthropological research.

Chris Silva, Mobile Analyst

Chris Silva is an Industry Analyst focusing on Mobile, where he helps end-user organizations understand how to effectively manage mobile strategies in their organizations for increased brand impact, worker efficiency, and revenue. A 10+ year veteran of the research industry, Chris has led research, events, and consulting operations for IANS Research, Forrester Research, IDC, and two other small boutique research firms. Chris blogs at makemobilework.wordpress.com.

Altimeter Group is a research-based advisory firm that helps companies and industries leverage disruption to their advantage.

Contact Us

Altimeter Group
1875 S. Grant Street, Suite 680
San Mateo, CA 94402-2667
info@altimetergroup.com
www.altimetergroup.com

Advisory Opportunities

Email: sales@altimetergroup.com