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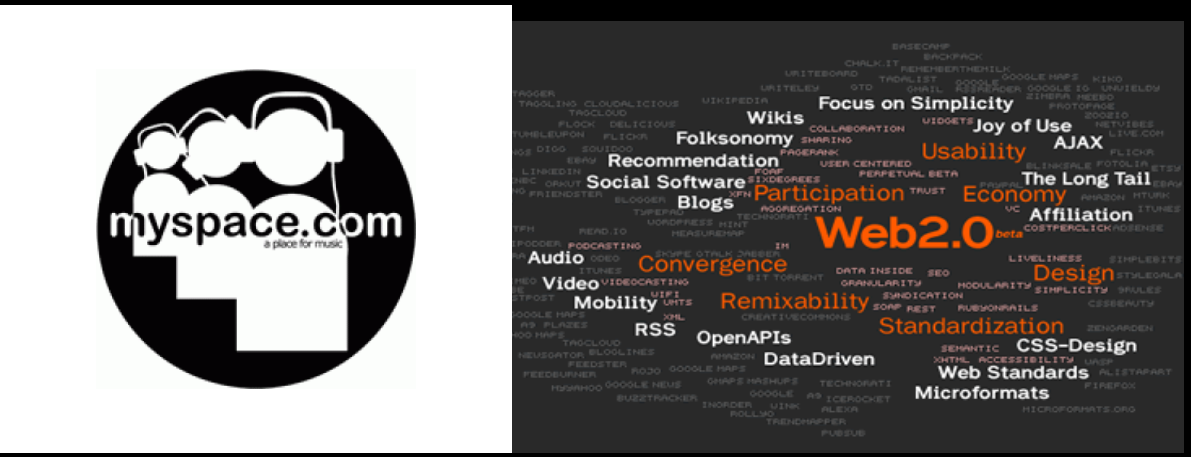
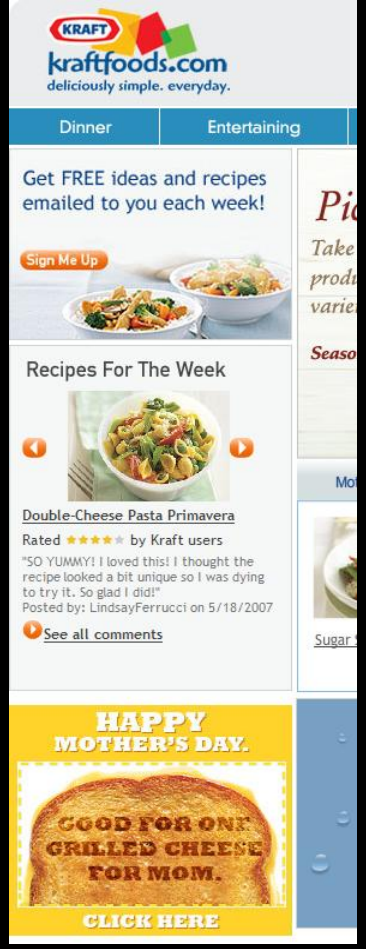
GLASSMEYER/MCNAMEE CENTER FOR DIGITAL STRATEGIES





Are you ready for Web 2.0 Marketing? *In B2C context*

May 7, 2008

Brenda Lee | Class of 2008, Tuck School of Business at Dartmouth

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I. What Web 2.0 Marketing Is

II. Why Web 2.0 Marketing Is Important

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Web 2.0 Terms in Marketing

Podcasting

Wikis

CRM 2.0

User-Generated Content

Blogging

Communities

Widgets

Digital Marketing

Web 2.0

SNS

Engagement

file sharing

Peer-to-peer(P2P) activities

Social Computing

Collaboration

Social CRM

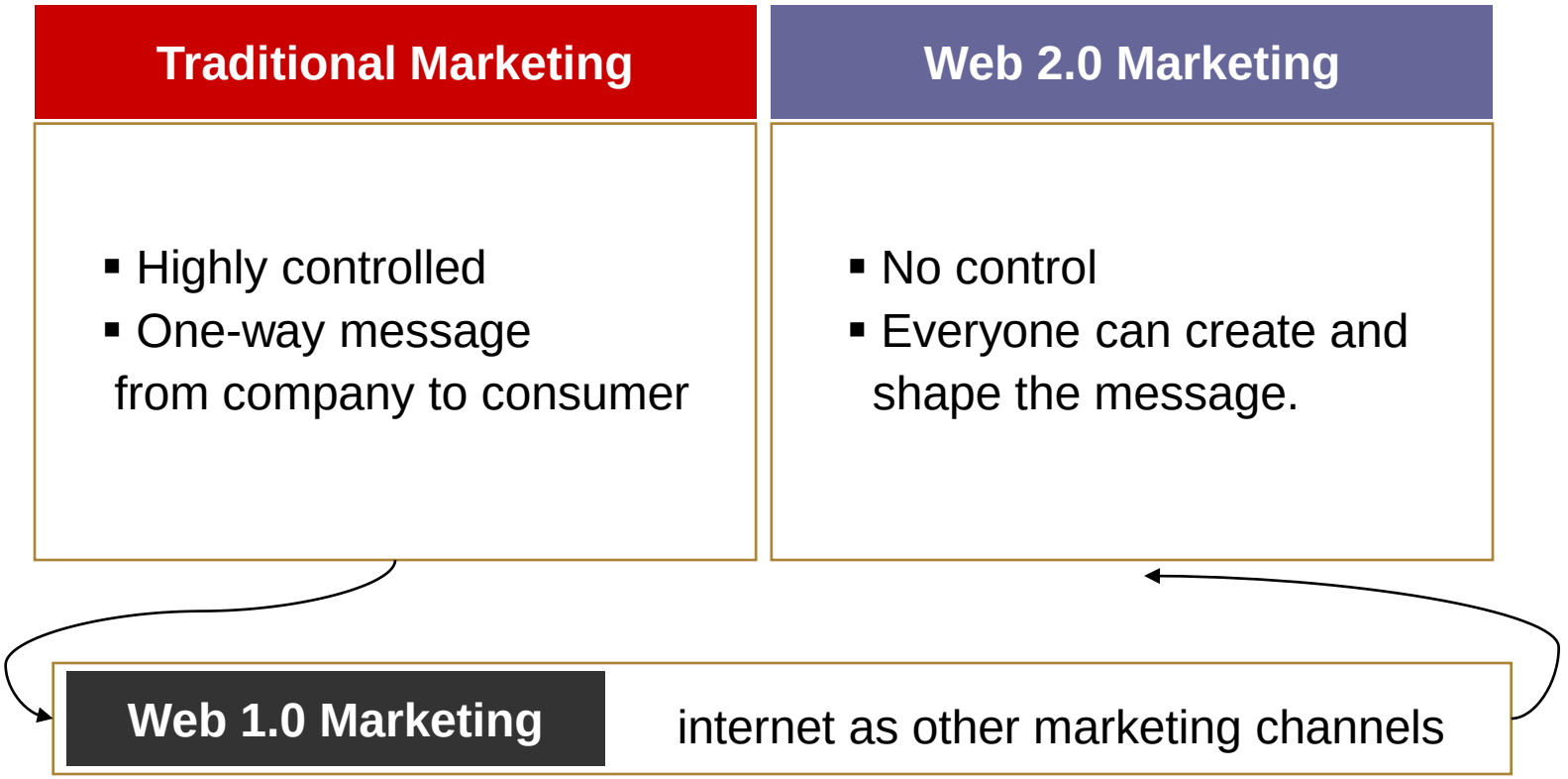
Interactive Marketing

My Definition

Web 2.0 Marketing is..

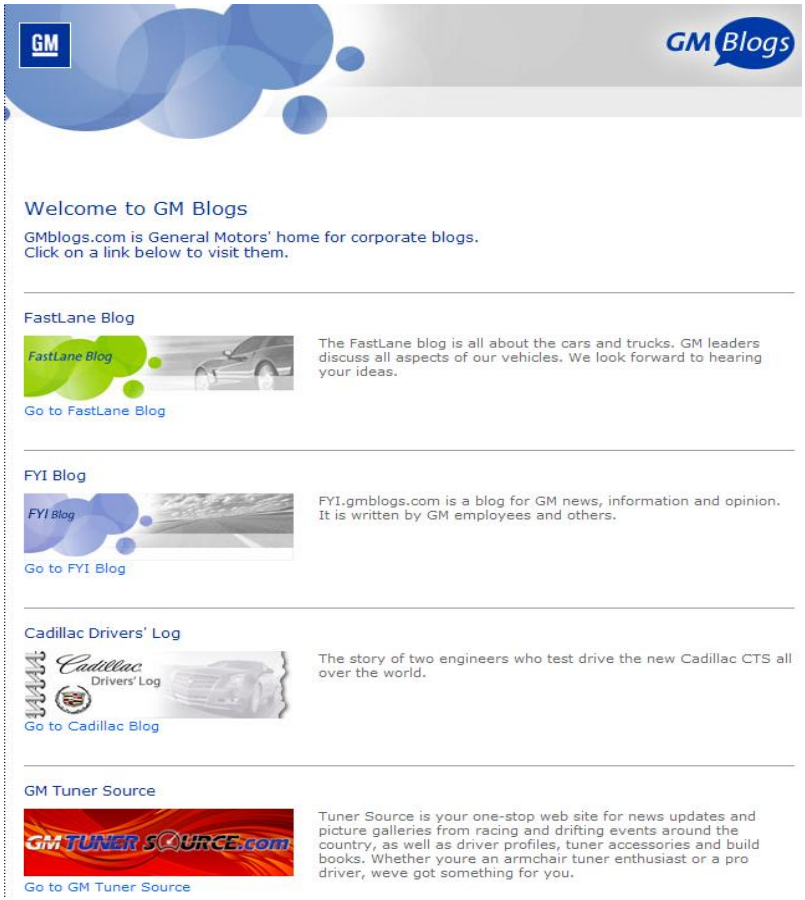
marketing activities that leverage web 2.0 technology to reach online customers

Traditional Marketing vs. Web 2.0 Marketing

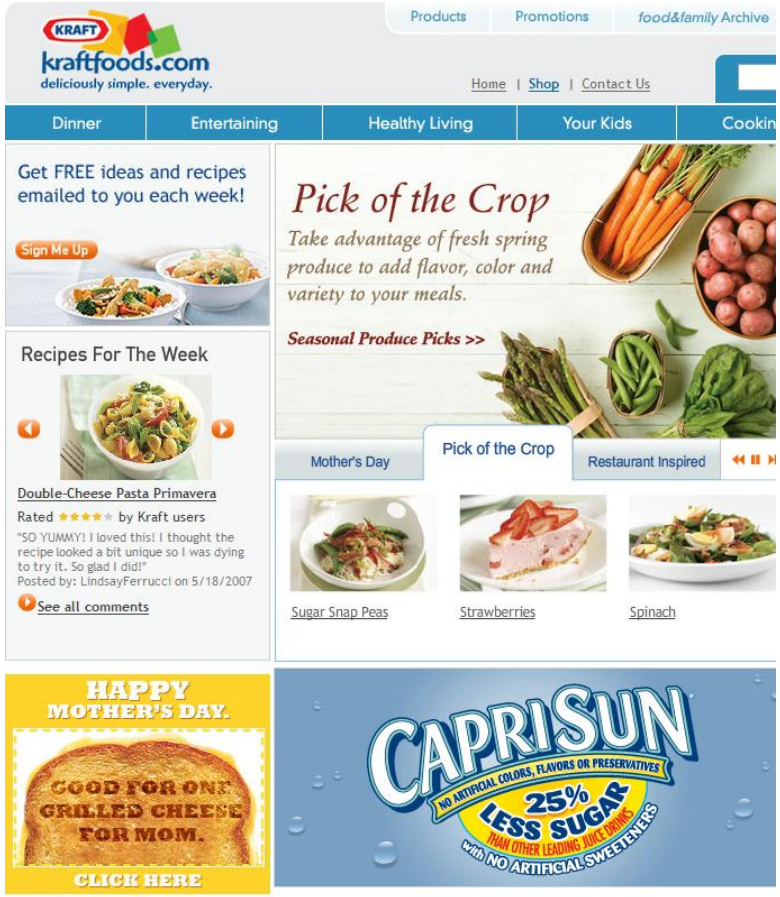


Examples

GM Blogs



Kraftfoods.com



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Examples

Diet Coke (YouTube)

P&G (Profile on MySpace.com)

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- Changing Environments and Consumers
- Marketing's New Metric

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Some said....

"Telling and selling" is dead

and there is the potential for "complete irrelevance of what we call traditional media".

- Jim Stengel, P&G's Global Marketing Officer, 2007

But Many Others said…

“We can’t have negative opinions on our site.”

“We’ll lose control of the brand.”

“We’ll get sued!”

But Face it!

See the..

_ Supporting Facts

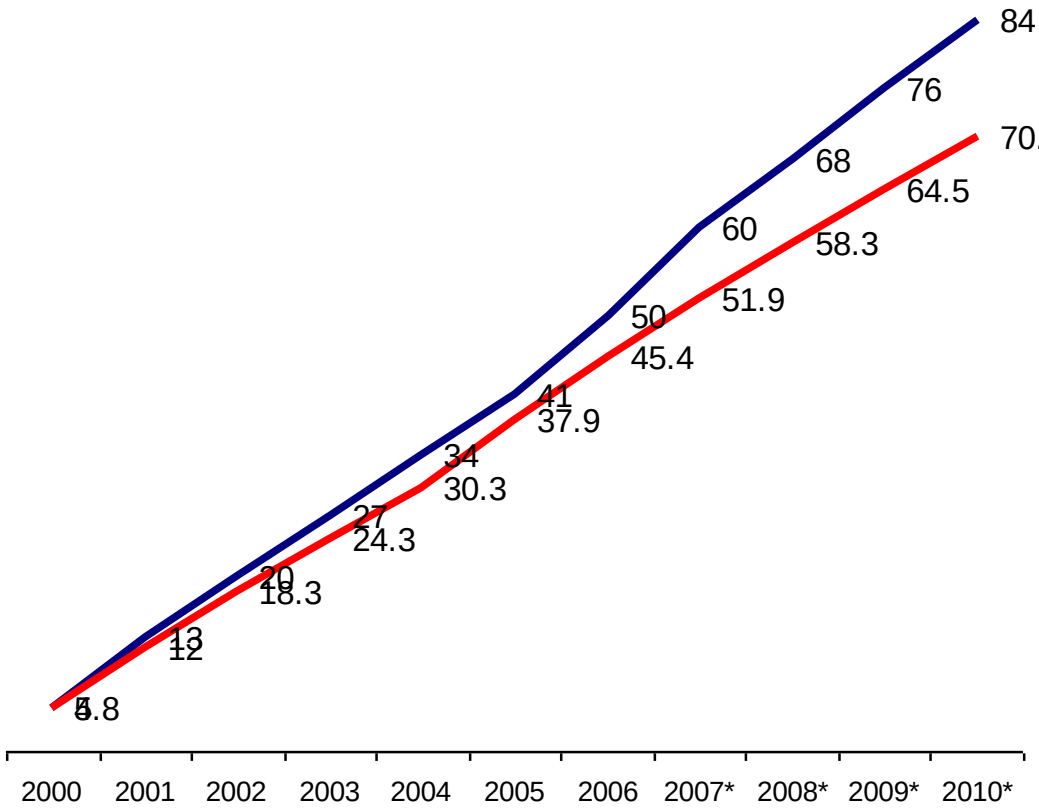
_ Changing Environment

_ Changing Consumers

_and Marketing's New Metric

Fact: US broadband households

84 million households will have broadband access by 2010.



Broadband Households (in millions)

Broadband Share of all Households (in %)

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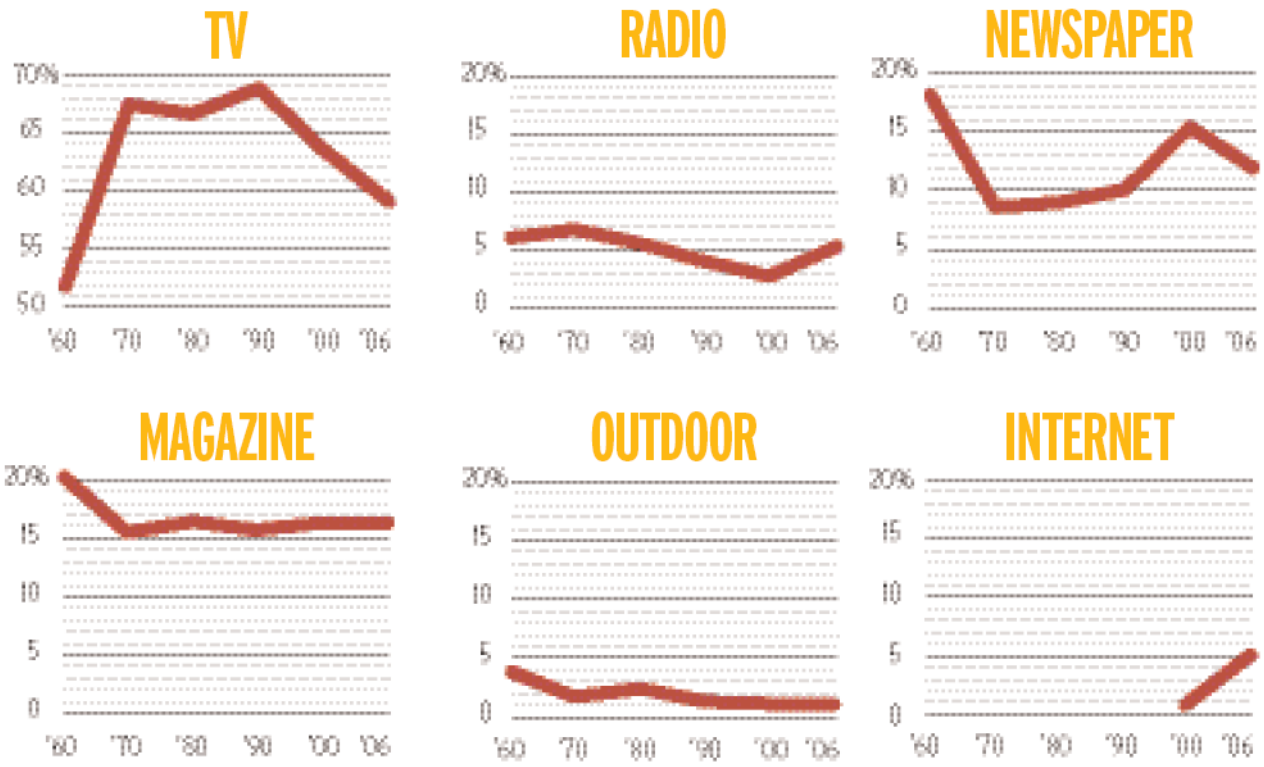
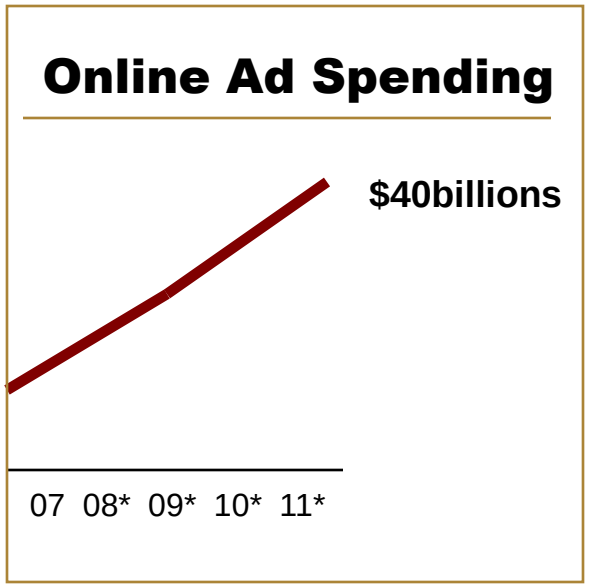
Fact: US Media Spend Trend

Traditional Media vs. Internet Media Spending (share)

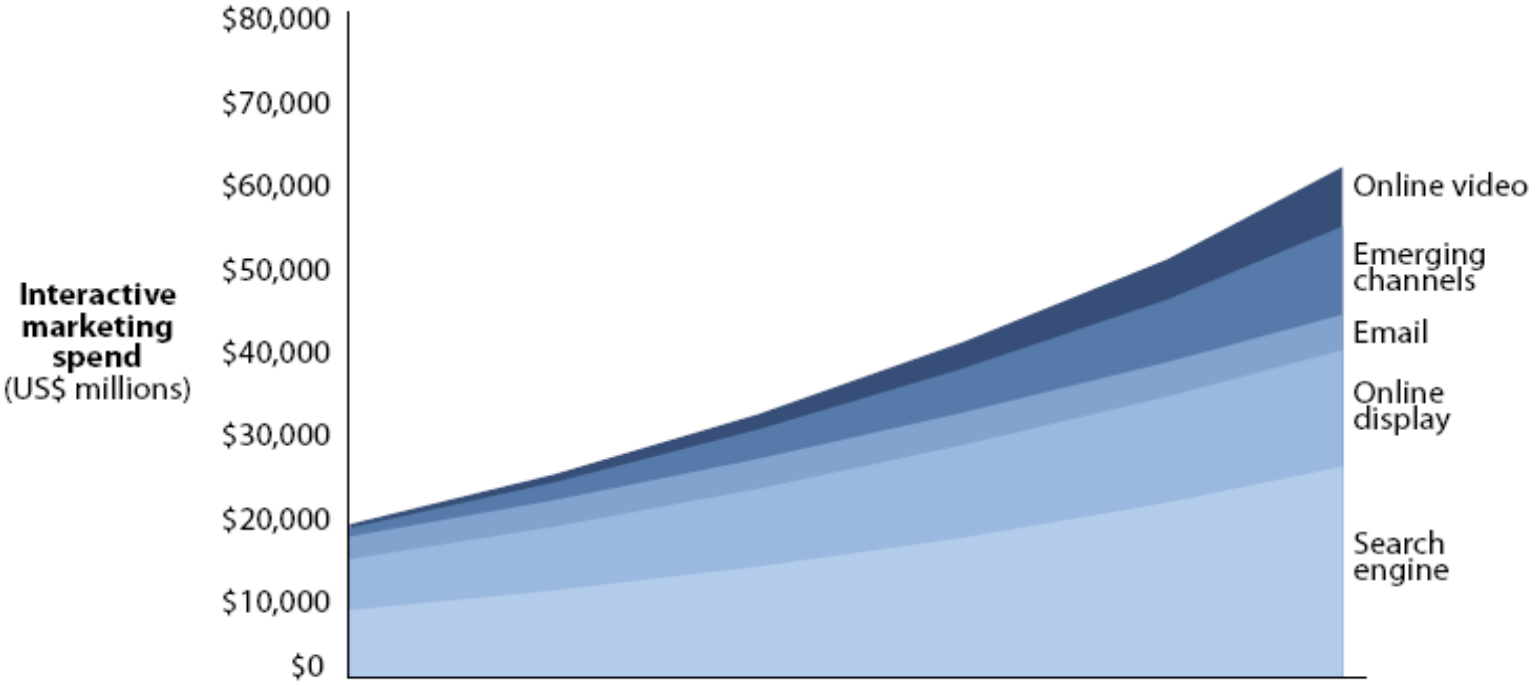


U.S. measured spending for TV, radio, newspapers, magazines, outdoor and internet. Radio is estimated for 1960.
Source: DataCenter analysis of Ad Age's Leading National Advertiser reports, 1961-2007



Fact: Interactive Marketing Forecast

Interactive Marketing will top $61 billion by 2012



	2007	2008	2009	2010	2011	2012	CAGR
Total	$18,402	$24,396	$31,645	$40,304	$50,261	$61,330	27%
Percent of total advertising	8%	10%	12%	14%	16%	18%	

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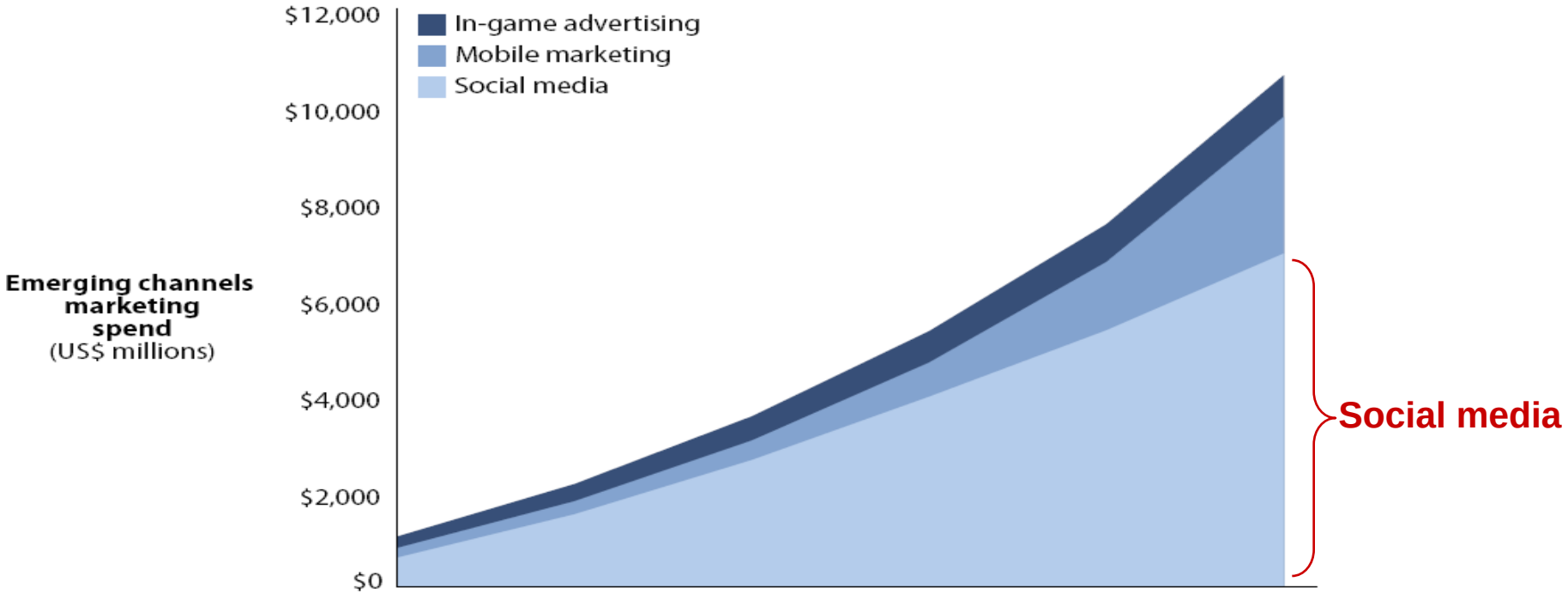
Fact: Social Media Spending

Social Media will drive Emerging Channels to $10.6 Billion by 2012



	2007	2008	2009	2010	2011	2012
Social media	$600	$1,500	$2,625	$3,938	$5,316	$6,910
Mobile marketing	$200	$270	$405	$709	$1,418	$2,835
In-game advertising	$240	$360	$504	$655	$786	$865
Total	**$1,040**	**$2,130**	**$3,534**	**$5,301**	**$7,519**	**$10,610**

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Fact: Social Networking Sites

SNS Users are open to marketer profiles

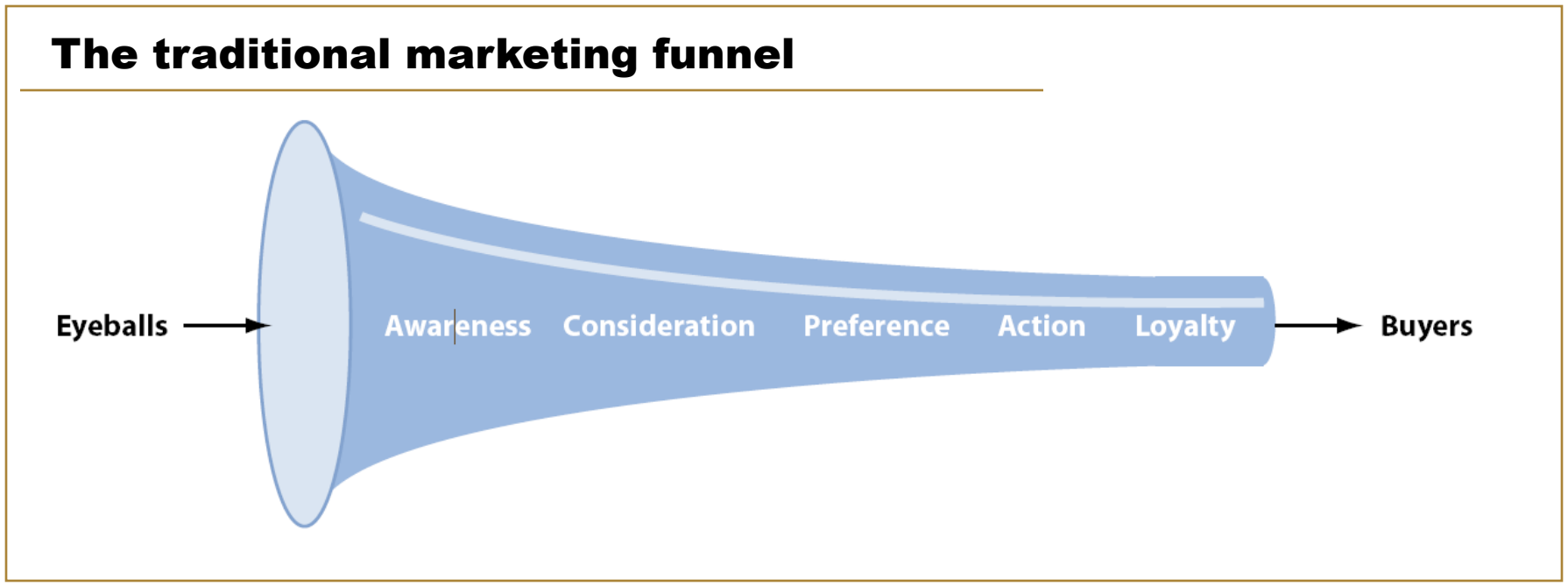
- Younger users are more interested in a favorite marketer's profile.
- Daily users show significantly more interest in marketer profiles.
- Social networking users represent an attractive audience for marketers.
  - SNS users are naturally viral

Source: Forrester Research, Inc

SN Ranking 2007 by Visitors' # :	**> 64 m**	**>22 m**	**> 16 m**

Changing Environment and Consumers

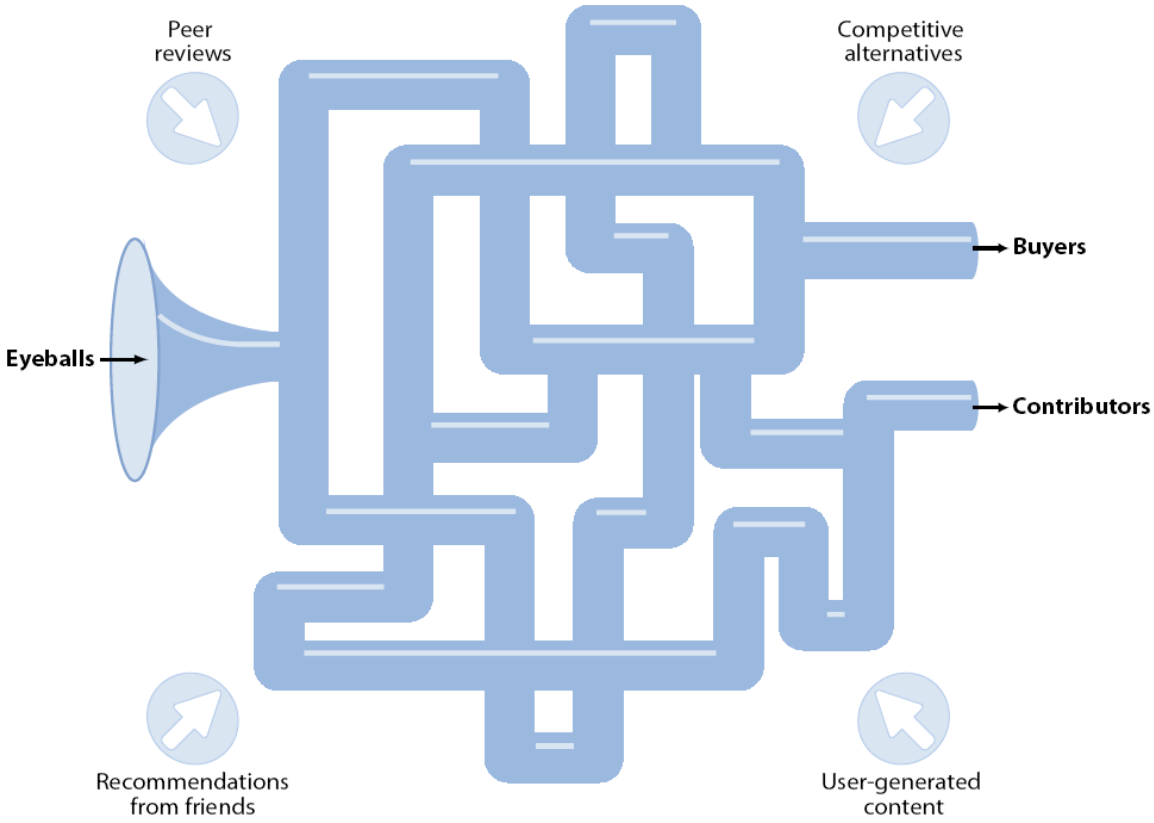
We must rethink the marketing funnel because….



Source: Forrester Research, Inc

Changing Environment and Consumers

Complexity lies at the center of the marketing funnel



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Marketers must rethink appropriate models

- Complexity reigns in the middle of the funnel.
- The most valuable customer isn’t necessarily someone who buys a lot.
- Traditional media channels are weakening.
- Consumers force brand transparency.
- Marketing complexity means that traditional metrics fail to capture the whole story.

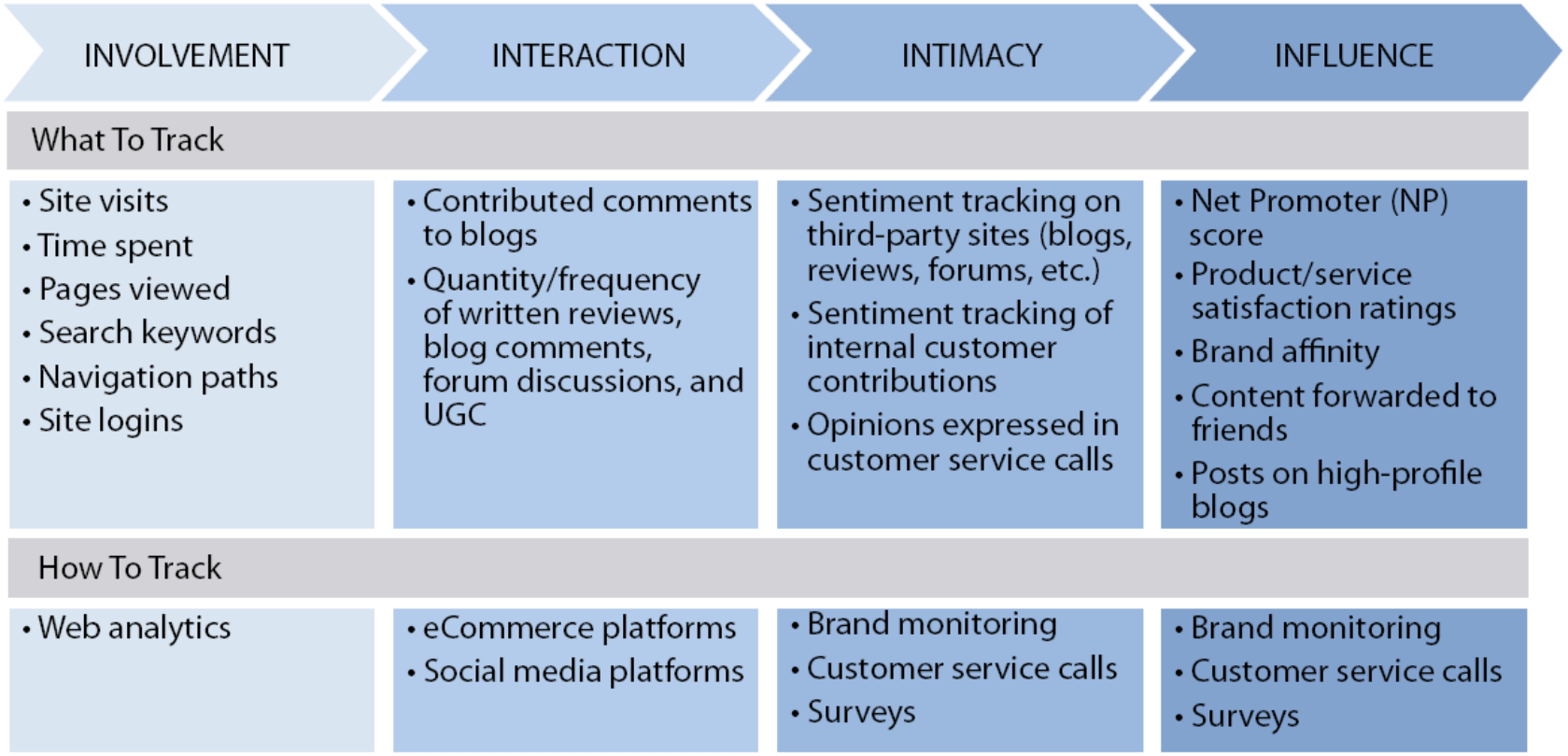
It is time to call for a "shift in mindset."

Marketing's New Key Metric

"Engagement"

ENGAGEMENT: a new perspective on marketing

Four Components of Engagement



Source: Forrester Research, Inc

Current Situation:

Hottest Category in Digital Marketing_ Packaged Goods

CPG (Consumer Packaged Goods) companies were slow to get into digital marketing, but they are committing to it more now and making a concerted effort to increase their online traffic.

Source: Advertising Age, Dec 2007

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- Best Case_ P&G's BeingGirl.com

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Starting Guides : POST

POST : Four-Step Method

1. People	Know your Customers
2. Objectives	Pick an Objective : what business goal you want to accomplish
3. Strategy	Choose a Strategy
4. Technology	Select and Deploy Appropriate Technologies and Measure Results.

Seven Strategies for Marketing in a Web 2.0 World

1. Learn about social media
2. Create a Web 2.0 marketing plan
3. Participate! Join the conversation
4. Be remarkable
5. Help your content travel
6. Be part of the multimedia wave
7. Monitor engagement and learn as you go

Think Creatively, Then Make Good Choices

Best case: P&G BeingGirl.com

P&G wanted to build an online destination for teen girls, for its Tampax and Always brands and created BeingGirl.com in 2000

Best case: P&G BeingGirl.com

It has built loyalty and sales by

- Providing candid, authoritative content
- Leveraging outside partnership (Sony BMG Music) to build brand relevance
- Balancing an open discussion forum with online safety and brand-appropriate content
- Engaging customers with the brand through an CRM program
- Continuing to learn and enrich the relationships

Features Sony Music Artists

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BeingGirl.com drives Traffic and Revenue

P&G measures BeingGirl.com's success by its:

- High site traffic and user registration.
- Proven impact on sales.: more effective than TV ads
- Value as a third-party trusted source

It delivers valuable content to P&G's consumers and successfully develops relationship with them

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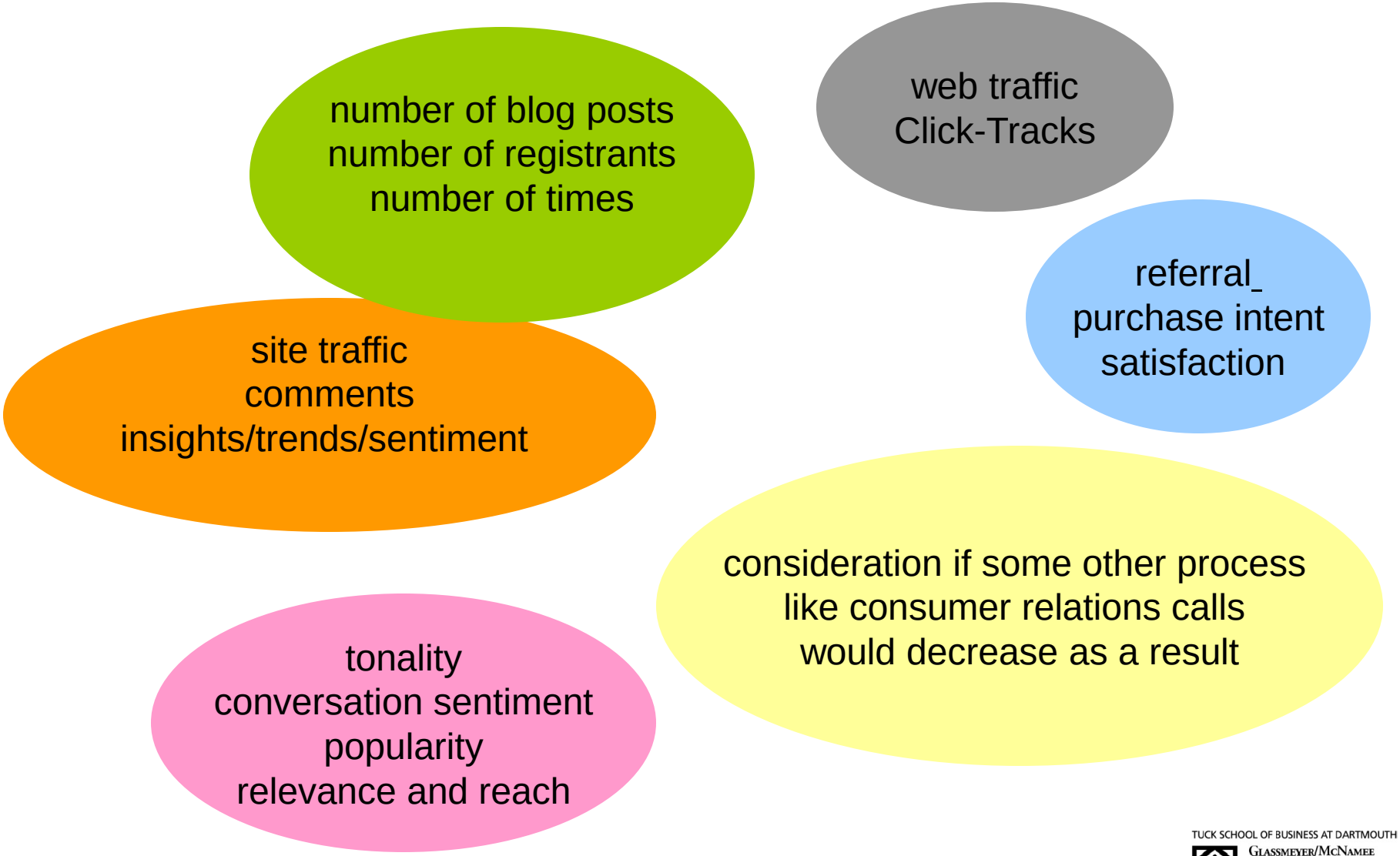
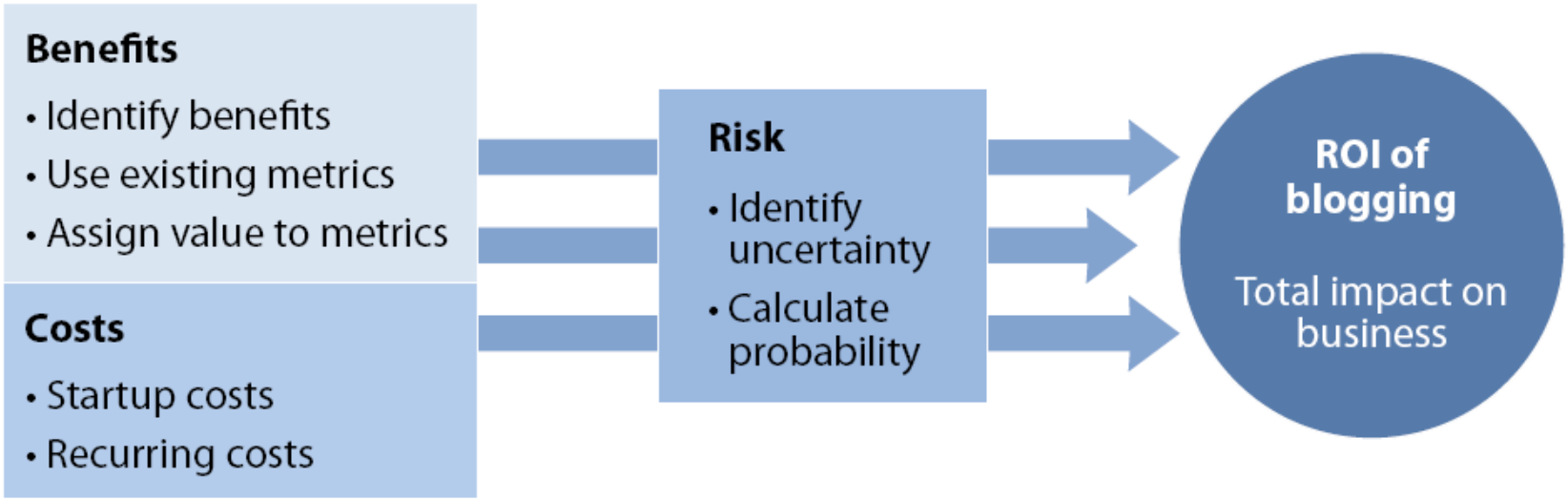
Metrics to be Used



ROI of Blogging

Three Factors To Calculate The ROI Of Blogging



Source: Forrester Research, Inc

ROI of Blogging: GM's Fastlane

Adjusted for risk and other factors such as declining press coverage, "GM's Fastlane blog" shows positive ROI

	2005	2006	2007
BENEFITS: Consumer insight	$180,000	$180,000	$180,000
Blog visibility	6,844	6,844	6,844
Press	380,990	214,900	169,760
Word of mouth	10,540	8,727	6,970
Total benefits	578,374	410,470	363,574
COSTS: Initial	35,521	-	-
Recurring	255,675	255,675	255,675
Total costs	291,196	255,675	255,675
RETURN ON INVESTMENT	99%	61%	

Scenario	Probability	ROI
Most likely	65%	42%
Best case	5%	79%
Worst case	30%	26%
Risk-adjusted ROI		39%

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Future of Web 2.0 Marketing

- Rather than just targeting new customers, firms will increasingly market to their alumni.
- Metrics will focus on the acquisition of evangelists rather than purchasers.
- People will hold brands to higher quality standards.
- Marketing dollars will shift from outbound communication to data analysis.
- Audience, not product or channel, will define the new marketer.

3 Keys to successfully exploiting Web 2.0

- Define the business goals your business can achieve by creating a community.
- Don't automatically give up on old marketing techniques in favor of Web 2.0.
- Go beyond starting a conversation with customers.

Quotes from whom I spoke with..

There is no real rule of thumb (yet) that a blog will generate positive ROI.
At the end of the day it's a matter of understanding the real objective to hosting a blog.
…….. Now if a blog is started just to say it was to be on the leading edge
with no real life behind it then clearly we'd be shooting ourselves in the foot._

*G. T., P&G's Digital Marketing_*

It's tough. We are still learning and it would vary by market.

A. F., Gillette's Marketing

… interactive marketing budget is currently at 10% level and constantly growing while TV spending is declining.

J. T., Pepsi's Interactive Marketing

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Q & A

Thank You!