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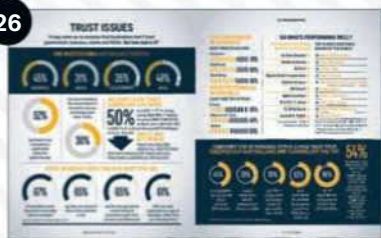
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Marketing would like to recognise and thank the members of its Editorial Advisory Board for their invaluable guidance, including but not limited to Dr Michael Valos (chair), Caroline Rudick, Erik Zimmerman, Mike Harley, Shannon Peachey, Trisca Scott-Branagan, Skev Ioannou, Cameron Woods and Peter Little.



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Editor's note



Ben Ice
Editor, Marketing.

Trust is the water-cooler conversation topic *du jour* for marketers and consumers alike. The Facebook and Cambridge Analytica revelations and subsequent media and legal storm have sent the issue global. Yet billions of people all over the world still willingly use the platform every day – uploading photos, planning events, sharing experiences – handing over one titbit of data after another.

It would seem the human need for trust in relationships, when weighed up against those insurmountable human desires of convenience and fun – not to mention a hint of unhealthy addiction – takes a back seat.

Does this mean you can sit back and rest easy now that you have a strong brand and optimised customer experience? Unless you're a drug dealer or your name is Mark Zuckerberg, absolutely not.

As marketers, we boast an intimate understanding of our customers. We respect the exchange of personal data and just how important it is to business success. We're well-trained to consider customers as they are: individuals. I would encourage you to think about trust on an individual level, too. It's one thing to adopt a big picture perspective of your brand's reputation, but relationships of real trust with your organisation are purely individual. Each one is different. Some are strong, some are delicate. Any shortcomings in the reliability, respect and transparency you must deliver can cause irreparable damage to any or many of these relationships, and in turn to your bottom line. I can assure you, your company is not immune.

Marketers are some of the best equipped to manage our brands and the way we're perceived by others. We carefully curate this public image and control how it manifests itself over various touchpoints. Trustworthy business practice, however, happens on a much more operational level. There are plenty of things that could happen – someone gets lazy with some consumer data, is a little tardy with some client follow-ups, cuts corners in some strategy execution or jumps at a new opportunity without weighing up the consequences – that have the potential to wreak irreparable damage. It happens all the time, and while marketing teams may not be at fault, you can bet it's marketing teams that'll be called upon to help with the fallout.

You can't control everything, but taking an active role in ensuring your business is doing the right things in every corner of its operations is part and parcel of having a better seat at the boardroom table.

It's great that your social media chops and brand storytelling voice can help you market your way out of the next customer complaint or publicity hiccup. If your marketing house is in order, pat yourself on the back. Now spin around in your desk chair. Look at how your company conducts itself. Look at your management, your customer service team, accounts, logistics... all of it.

Do you trust them not to cause you marketing headaches down the line? **M**

- Ben

“They’re not cash-grabbers – the genuine ones.” (46)

“A smart agency will not see the words ‘in-house’ as a threat, but as an opportunity to optimise the relationship.” (20)

“The only companies that I haven’t been able to figure out how the ‘good is the new cool’ model works for are guns and tobacco.” (30)

“Artificial Intelligence is not ready.” (36)

“This growth could be exciting or frightening, depending on your point of view.” (82)

Trust /trʌst/

Noun

1. Firm belief in the reliability, truth or ability of someone or something.

Verb

1. Believe in the reliability, truth or ability of.

Origin

Middle English: from Old Norse traust, from traustr ‘strong’; the verb from Old Norse treysta, assimilated to the noun.

Source: Oxford English Dictionary

“Buyers are expecting their B2B experience to match their B2C one.” (92)

“It is potentially costing businesses billions in unrealised revenue, and it is also depriving consumers of something much more valuable.” (88)

“If brands are built on trust, then Houston, we have a problem.” (90)

“Politicians, corporations, whoever it was, she knew that as soon as those three words came out of their mouth, she had them.” (58)

“The message was clear: we are a way off any ‘retail apocalypse’.” (84)

“Marketers haven’t given privacy laws and regulations a passing thought.” (52)

“For some it is the apparent incursion by brands and services into what they regard as their private space, but for most it is simply about irritating ads.” (86)

“Dopamine spikes resulting from likes, shares or reposts won’t help with trust; those will only get us hooked like video games or apps do.” (94)

A photograph of a brick wall covered in a grid of surveillance cameras. The cameras are arranged in a regular pattern, with some having yellow housings and others black. In the foreground, two people are standing on a sidewalk, looking up at the wall. A dark door is visible on the right side of the wall.

Data and the tipping point of trust

© Matthew Henry
via Unsplash

When it comes to sourcing and utilising data in marketing, how much is too much? Can we find a mutually agreeable level that's beneficial to both brand and consumer? Fiona Killackey investigates the tipping point of trust.

Warren Buffett famously said, "It takes 20 years to build a reputation and five minutes to ruin it." In the last 12 months, society has witnessed a mammoth rupture of reputations – from the #metoo movement and its perpetrators, through to an ever-increasing army of young workers standing up to global employers in the wake of wage riots. In the world of marketing, the breakdown of brand reputation has resulted from massive data breaches that appear to happen when companies put profits ahead of ethics. But is it really a case of good versus evil when it comes to data mining for marketing, or is it simply that we have not yet mastered how to make sense, and use transparently, the insights technology enables? Before diving into the answer, first we need to understand the matchstick responsible for reigniting the 2018 debate on data.

Facebook fallout?

On 2 April 2018 Mark Zuckerberg, CEO of Facebook, apologised in court for his company's role in the Facebook-Cambridge Analytica data scandal that included the collection of the personally identifiable information of up to 87 million Facebook users. "It's clear now that we didn't do enough to prevent these [Facebook] tools from being used for harm... That goes for fake news, foreign interference in elections and hate speech, as well as developers and data privacy. We didn't take a broad enough view of our responsibility, and that was a big mistake. It was my mistake, and I'm sorry. I started Facebook, I run it and I'm responsible for what happens here."

Since the scandal broke a month earlier (after hints at it in *The Guardian* in December 2015), critics took to social media and marketing forums, pronouncing the 'end is near' for Facebook and its associated entities. The hashtag

#deletefacebook took off, reaching more than 400,000 tweets in the month of March 2018 (Inc.com).

Yet, the apparent backlash appears to have had little impact on the business itself. On 26 April 2018, Facebook posted its quarterly earnings to 31 March 2018, showing an advertising revenue of US\$11.79 billion (up 50 percent from the same quarter in 2017).

It also revealed user behaviour of its platform, with the social network boasting 1.45 billion daily active users and 2.2 billion monthly active users for March 2018 (both up 13 percent year-on-year). It would appear – from the figures at least – that the backlash was more hype than fact. While Facebook may have tweaked its back-end to seemingly safeguard users' information, its billion-strong audience hasn't made that many adjustments to their own behaviour. Upon the release of its Q1 figures, Zuckerberg stated: "Despite facing important challenges, our community and business are off to a strong start in 2018. We are taking a broader view of our responsibility and investing to make sure our services are used for good. But we also need to keep building new tools to help people connect, strengthen our communities and bring the world closer together."

The need to trust

Zuckerberg's words balance on the idea of trust between the social media giant and its billions of consumers. It's this trust that Dr Linda McIver, executive director at Australian Data Science Education Institute, says is waning, as consumers aren't 100 percent sure on how or where their personal data is being used. "Like any technology, data science can be used well or used really badly. Ideal applications of data science enhance the story and make it much more personal. For example, personalised medicine can tell me a much more detailed story of how patients just like me respond to particular drugs, rather than giving me averages and probabilities spread over the entire population. And marketers have a better chance of connecting with their audience if they already know a lot about what we like and dislike." It's this latter aspect though that "worries" McIver. "The more companies know about what makes me buy something, or just click on a link, the better they can manipulate me. I'm really uncomfortable with the implications of that," she says.

Patrycja Slawuta, founder and CEO of SelfHackathon – a boutique behavioural consultancy that merges science and humanity to create campaigns that benefit brand and

#EPICFAIL

The Facebook-Cambridge Analytica scandal may have reignited the data debate, but it's hardly the first brand data breach. Here are some of the worst:

TARGET

In 2012, Andrew Pole, a Target statistician spoke with author Charles Duhigg for *The New York Times* about the insights the retailer was able to get by reviewing buyer behaviour. One of these insights was understanding not only when female shoppers were pregnant, but at what stage in their pregnancy they were (looking at purchase of items like magnesium and calcium tablets or unfragranced moisturisers). Later that year, a disgruntled father walked into a Target store in Minneapolis, Minnesota, demanding Target stop sending his teenage daughter emails about baby items. Turns out, Target identified the girl was pregnant before she had informed her parents. #Awkward.

UBER

In November 2017, Uber admitted to a massive data breach from 2016 that potentially exposed personal information of 57 million Uber drivers and users of the ride-sharing service. After realising they it been hacked (via a third-party software Uber engineers used), the company forked out \$100,000 to the hackers to keep the breach a secret.

DUN AND BRADSTREET

In March 2017, Dun and Bradstreet admitted that its marketing database – which included more than 33 million corporate contacts – had been shared across the web. The company said it had sold contact data and somewhere along the line this data had been leaked (but not directly from Dun and Bradstreet's data systems). Employees from the US Postal Service, telco AT&T, Walmart, the US Department of Defence and CVS Health were exposed, with some having their full name, work email addresses, phone numbers and business data leaked.

consumer – agrees that when it comes to a way forward, the first step is figuring out how to build trust. “Trust is a two-way street. Do the brands and companies trust the consumer enough to let them know they are gathering their data, tracking their movements and behaviours so that they can sell better?” Slawuta believes that we are entering an age of “moral outrage, one where global levels of trust are the lowest in the last 40 years, when fake news travels faster (and deeper) than real news... Given that this behaviour on the part of companies seems so pervasive, perhaps the next evolution of marketing will be a versioning of ‘permission marketing’ that is truly a two-way bilateral trust dynamic between the consumer and the marketer to use data in a conscientious and intentional way to deliver the product and services that are just right for the end consumer.”

Hype or happening?

While there may be a collective moral outcry against the use of data, the question posed by many in the industry is: are we actually using that much data for marketing purposes? While brands like Amazon, Google and Facebook employ thousands of data experts, for many companies their marketing team may only house one or two data scientists. According to Adam Ferrier, founder of Thinkerbell – an agency of thinkers that have extensive experience in the worlds of research, strategy and creative execution – “Most consumers think marketing is much more scientific and precise than it really is. Unfortunately, or fortunately depending on how you look at it, marketing is still a relatively blunt instrument. Matching context, consumer needs, messaging and product rarely happens with surgical precision. In fact, I think most consumers would be somewhat relieved to understand how ‘intuitive’ the process still is. The days of *Minority Report*, where people walk past ads in shopping malls that call out to them by name, are still a long way off.”

Ferrier also suggests that the data solution platforms, apps and companies popping up at an ever-increasing rate, aren't necessarily what people – consumers or marketers – want. “There is also an assumption by those peddling data solutions that personalised advertising is desired by the consumer and will sell more stuff. Both of these are just that: as-yet-unproven assumptions.”

It seems statistics would back up Ferrier's point. According to the 2017 CMO Survey, while spending on marketing analytics is set to increase (from 4.6 to 22 percent of total marketing budget), the majority of marketing

DATA MINING AND MENTAL HEALTH

A large part of marketing is understanding the psychology of the purchase.

Fiona Killackey speaks with Dr Damian Cotchett, a consumer and organisational psychologist at Changing Behaviours, about the impact marketing data may have on mental health.

Marketing: How much of your clients' lives play out online?

Dr Damian Cotchett: A tremendous amount plays out through a range of channels. For adults, the first thing that so many people do when they wake is look at their devices. It has become habitual and automatic. Very quickly (within a generation) the behaviour of the majority has been dominated by online information, materials and entertainment. It is this last category that has the biggest impact on humans. People have become less self-determining, allowing online/social channels to influence – and at times dictate – their lifestyle and decisions. Their reference point is back to this mega-system.

Do you believe the pressure placed on children and young people today, through digital advertising and targeted campaigns online is any different to magazine or TV adverts shown in the 1980s and '90s?

The same principles apply now as they did in the 1980s and '90s, but the amount of information in the form of feedback, participation and buying has exploded the individual's mind. This has resulted in many individuals tailoring who can see their profile and what they want to share with others. Advertisers

“The best way to ensure a mentally healthy society is to encourage people to be self-managing.”

got smart through the internet and apps, so that those who don't reduce the footprint of their online connectivity will be targeted relentlessly with new shopping or data management. It is so subtle that consumers may not even know they are being influenced.

Some say social media will be the same as smoking was in the 1960s; we won't understand the true damage until it's too late. What are your thoughts on this in relation to digital targeting of social content and mental health?

I don't see the comparison quite like this. Smoking was an example of how people chose to adopt a product. The same was with alcohol and driving, leading to greater use of seat belts and alcohol reduction rules when driving. Social media is far more embedded in people's lives. It is itself morphing around individuals' behaviour and, as a result, adapting like an organism. This becomes far more powerful

and influential than a product, as it is evolving in real-time and playing a far more impactful role. It is so subtle that people don't realise how they have become so obsessed with social media devices and data.

What would you like to see happen in relation to policies or rules around data collected by brands, to ensure that society is as mentally healthy as possible?

This is one of the biggest challenges for our societies. The best way to ensure a mentally healthy society is to encourage people to be self-managing. The definers of the new world work on the basis that everyone is a clear decision-maker and knows how to self-manage and self-control. For many this is an accurate assessment and they can manage their lifestyle and time. Increasingly, for a growing number in our societies, this is not the case and the impact of marketing and product will be evident in the amount time spent on social media and the perception that everything on social media is true. We should be focusing on stronger self-management and the ability to critique healthy from unhealthy sites and bloggers, even if they are the most popular.

“We are rational creatures, but countless studies have shown that we are really easily manipulated.”

decisions are not made by reviewing or utilising data. In fact, the survey found only 31.6 percent of decisions are made following data analysis, the rest are made with little or no data involved.

According to McIver, while every marketer may not be fully exploiting the data available, the fact that it is so easily accessible warrants a review of how we use it, today and well into the future.

“We’d be hopelessly naive to believe that companies will self-regulate their transparency and ethical behaviour when it comes to data. They will always tend to act in favour of profit, rather than in favour of public good. As consumers, it’s essential that we become data-literate, so that we can have intelligent debate about what is and is not OK, and enact legislation to hold companies to account. Marketers can help this process by being completely open about what they do and why. [The TV show] *Gruen* does this brilliantly, explaining the reasoning and techniques behind particular marketing campaigns, but that tends to be focused on mainstream media advertising. We are way behind the eight ball when it comes to data collection, digital media and their impact on this industry.”

Self-management and education

Dr Damian Cotchett, a consumer and organisational psychologist at Changing Behaviours, believes that changes to policies, along with one’s ability to self-manage, will be crucial for individuals to thrive in a data-led society. “As the concept of online marketing becomes considerably more impactful, the perceived responsibility of those driving and influencing the new direction will have standards applied to them. Currently, this is limited in terms of rules except for things like ‘do not contact me’ rules and the ability to unsubscribe. The social media area will establish ‘fit for purpose’ rules that will demonstrate a higher level of transparency, but this is primarily as a result of pressure applied by consumer action groups. As with most areas of marketing for adults, the principle of self-management underpins consumers’ decision-making and transparency

of actions... The best way to ensure a mentally healthy society is to encourage people to be self-managing.”

McIver agrees, “We like to think we are rational creatures, but countless studies have shown that we are really easily manipulated, even by things we’re not paying conscious attention to. The more skilled companies become at using that, the less our behaviour is actually under our conscious control, and the more we are prey to being controlled by others... Data has so much potential to change our lives for the better... But it can also be used against us. And, because that’s so profitable, it seems like that’s the aspect of data science that’s currently winning. We can change that, but we have to work together and prioritise data literacy and critical thinking skills.”

US author and businessman, Stephen R Covey once suggested that, “Trust is the glue of life... It’s the foundational principle that holds all relationships.” For many, the Facebook-Cambridge Analytica data scandal has brought to the surface just how important trust is for business today. While it may have shocked many consumers, it has also opened up the conversation on how and why we use data and how we can begin to build more trust between marketers and their audiences. “It’s important for agencies and marketers to get involved in discussions such as this,” says Ferrier, “as ignoring the issues surrounding data and consumer rights is inauthentic, and potentially destructive. As an industry it’s great to see so many organisations working through these types of questions – not pushing them aside.”

For Slawuta, the conversation we’re having on data may well result in a positive shift for society. “If we want to sell more products, data definitely helps. If we want to create a better world – we need to be better storytellers. Data looks at what is, stories create what will be. I think the world today is starving for narratives of hope. Technology is a multiplier of human psychology. The ever-increasing computational power of machines is just that – raw computational power. What makes it potentially powerful is the underlying human psychology – and, as such, technology will neither save nor doom humanity. It will multiply what already is – our fears, frustrations and anxieties or our dreams, hopes and aspirations. The old Greek maxim ‘know thyself’ has never been more appropriate. The social fabric of societies based on trust and fairness is arguably being torn by fake news, populism and masterful fear-management. Awareness of how we are being hacked will make a difference whether we collectively upgrade or downgrade as humanity.” **M**



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The questions raised by a leading marketer over transparency are shaping the way advertisers go about agency relationships, media buying and engaging consumers. Eighteen months on, [Tracey Porter](#) reports on some salient lessons for the industry to take heed of as a result of the fallout.

Eighteen months ago, the media buying industry came under the blowtorch after a leading marketer opened fire at the “murky and fraudulent” practices employed by many at the coalface. In calling out the imbalance between clients and the agencies acting on their behalf, P&G’s (Procter and Gamble) chief brand officer Marc Pritchard lifted the lid on the lack of transparency within the sector – a mandate he clearly intends to pursue following his latest tirade, where he demanded an end to the “archaic *Mad Men* model” and vowed to destroy the “maze of complexity” he believes exists within the agency structure. Despite the fact that Pritchard’s original concerns were aimed at digital media players, the comments by the brand custodian of the world’s biggest advertiser have had a profound effect on all facets of the sector.

Agencies have been put on notice after other brands – including fellow FMCG giant Unilever – began questioning the effectiveness of their media investments in light of big organisations being exposed and the discovery of hidden fees and charges levied by their agency as part of the media buy. An example was the case in 2016 between Toyota with Dentsu in Japan, which reports suggested led to the identification of over 600 suspected cases of ‘overcharging’ affecting over 100 clients. Estimates have indicated that anything between 40 and 90 cents in the media dollar are actually eaten by the overall combination of non-transparent fees. And these have done little to appease advertiser concerns. Since then, the traction achieved by Pritchard’s rallying cry has also led industry bodies to join forces in releasing new codes of conduct to

Through the looking glass



address concerns around the issues of fraud, brand safety, viewability and transparency, while also calling media owners such as Facebook to account.

Interactive Advertising Bureau (IAB) Australia CEO Vijay Solanki sees the issue as having two separate strands – the first of which has been driven by a lack of understanding by senior executives across the digital value chain. “Pritchard said that marketers need to get into the weeds and he’s correct,” says Solanki. “My observation is that many senior executives don’t have a strong enough understanding of how digital advertising and media works.”

The second problem has arisen, according to Solanki, because media agencies have been under commercial pressure from procurement teams that have rated them on cost rather than value. “One might argue that media agencies have caved in too easily,” he says.

However, Programmatic Media founder Stephen Wright, whose consultancy offers advice to advertisers, media owners and other agencies on all things automated media buying, says that while it is easy to target agencies as the villain in all this, the fault is not theirs alone. Wright, who has worked with clients including Commonwealth Bank, Olympus and Sony, says all agencies have been unfairly tarnished with the same brush and, while he agrees there are some underlying reasons as to why this happened, advertisers also need to share the blame. “Enormous pressure on transparent margins from overzealous procurement departments was a key factor in why the secretive margins were initially put in place. It became nigh on impossible to cover costs and make a profit in the race to the bottom on the transparent elements of remuneration. Increased pressure on margins and the dramatic growth of programmatic happened simultaneously. For agencies, an undisclosed fee on a poorly understood component of digital became the way in which they could compete in pitches and maintain profitability. These undisclosed fees then quickly became the primary means by which agencies could meet profit targets.”

The Australian Association of National Advertisers (AANA) CEO John Broome concedes viewability and transparency of each dollar spent are still major concerns faced by marketers in terms of agencies’ and/or media owners’ accountability. Broome – also the ANZ marketing

director for Kellogg’s – says, currently, many online ads served are not viewable because they appear below the fold on the web page, or because it takes too long for the content to be served. Advertisers are charged for these impressions even though consumer opportunity to see them is severely compromised. “Likewise, agencies and marketers need to work together to be transparent where the costs lie in the supply chain and what value they bring,” he says.

Moving forward, however, Solanki argues the vast majority of the media works “nearly all the time” so there is little to be gained by continuing to apportion blame. “There are a handful of bad actors and bad action, but we are seeing a huge growth in technologies – such as Ads.txt from IAB Tech Lab – that help make the digital value chain safer and more transparent.”

Wright agrees, stating that sufficient time has now passed for all agencies to determine how they intend to proceed. While some have chosen to plough ahead and weather the storm, others have recognised the need to change and have adapted their offering accordingly, meaning the encumbrance is now on marketers and brand keepers themselves to evaluate their offerings.

“The onus now is very much on marketers to ascertain if they are failing to get the service and value they should. It is time for them to take back control or push on content

with the status quo. Many will need to quickly upskill themselves in the programmatic space and/or get external help. Once they more clearly understand the lie of the land they will be in a position to take affirmative action,” says Wright.

David Angell, the head of media at marketing consultancy TrinityP3, spends much of his time offering practical advice to

marketers wanting to engage consumers directly via media owners, through agencies and programmatically. He says all parties, including marketers, should take a share of the responsibility for the current challenges facing the industry, and take a leadership stake in resolving them. While significant and multiple accountability challenges faced by the industry remain, there are promising shifts towards collaboration and standardisation, which ultimately would benefit all parties and allow for future stability. Angell says that before even considering using external third parties for their media buying activities, marketers need to understand that there are a range of

“Some have chosen to plough ahead and weather the storm; others have recognised the need to change.”



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“A smart agency will not see the words ‘in-house’ as a threat, but as an opportunity to optimise the relationship...”

One of the key questions most marketers struggle with regarding their media accounts is where to put their money. Angell says that when it comes to finances, there is no magic formula. The amount that should be spent on media is a complex issue and one that is constantly evolving, taking into consideration such things as the brand or production proposition and its effect on messaging, and the hierarchy of prioritisation between “top of funnel and bottom of funnel” communication.

The best marketers are working with data and attribution modelling to develop an as-live test, learn and evolve approach that

serves to both establish ‘always-on’ norms, and constantly course-correct, he says.

“They are considering media expenditure, with their agency, as part of an overall owned, earned, shared and paid framework, and as part of an integrated overarching strategy. They are also focused on assessing budget based on maximising the value of their media investment in terms of ROMI outcomes, which is a completely different approach to the more traditional way of focusing on the cost of their media investment in terms of volume efficiency.”

Broome agrees it is important marketers assume control and be accountable for every dollar they invest in the digital supply chain. He recommends brands and marketers work with their agency partners to get an accurate picture of where the costs are, why they are paying them and the value these services will bring.

The best media agencies and owners will go out of their way to understand your business and work with you to optimise your outcome-based goals such as meeting your business targets and ROI, he says. “They will value a long-term relationship and seek to challenge a brand owner’s thinking in a positive way, thereby bringing innovation and better value for every dollar you invest. Part of the equation

hybrid structural approaches that split the responsibilities and ownership of digital media trading between advertiser and agency.

Before a marketer considers a change in model, Angell says there are five things to consider:

- ☀ Is the marketer aware of the range of models offered by the agency?
- ☀ Is the agency-marketer relationship properly set up for success?
- ☀ What base level of capability exists in-house?
- ☀ What is the marketer’s appetite to acquire, license or engage with the technology required to deliver effective digital advertising?
- ☀ Will bringing your media trading in-house actually deliver a genuine performance lift?

“At the end of the day, my recommendation is that marketers should always open a dialogue with their agency about the potential routes involved, rather than try to go it alone; and they should approach that dialogue with an initial point of view on all of the above. A smart agency will not see the words ‘in-house’ as a threat, but as an opportunity to optimise the relationship and the operational structure with its client over time,” he says.

“The complexity of the landscape and the variables involved in evolving strategies and market conditions make such promises largely redundant.”

is for media owners and agencies to figure out how to effectively address transparency concerns that a marketer or brand may have and thereby build a sustainable relationship built on mutual trust, respect and results. The most ethical media owners and agencies will fully disclose any programmatic deals and openly negotiate associated costs with both media owners and brands.”

Conversely, both Broome and Angell caution there are a number of red flags to look out for when marketers are seeking to pair with an agency or other third-party vendor for their media buying requirements.

“Simply put, a feeling that the trust is not there, [but] remember this can come from either side. Make sure both parties are committed to using the appropriate feedback and client/agency appraisal systems, because these enable issues to be spotted when they first occur. Problems can be quickly and objectively discussed and resolved before they become major concerns. Meanwhile, an agency should be prepared to openly share its data, be prepared for appropriate third-party auditing and verification, and possess the data and corresponding results to justify recommendations,” Broome says.

Angell adds that marketers should also be wary of media agencies that sell based on an unbeatable media cost deal, or who promise to “reduce the cost of your current agency by 20 percent” as the complexity of the landscape and the variables involved in evolving strategies and market conditions make such promises largely redundant.

“While poor media buying practice can originate from the marketer as much as it can from the agency, good media buying is usually based on expertise being used to make objective recommendations. It’s when objectivity gets blurred that media buying becomes poor.”

To help advertisers better navigate the online media buying ecosystem, the IAB has launched a flowchart – the Adtech Purchase Guidelines – to help executives know which questions they should be asking vendors


and agencies. Likewise, the AANA makes media contract templates and guidance notes readily available to help advertisers obtain greater transparency over the return and effectiveness of their media investment.

In addition, the US-based Media Ratings Council (MRC) recently announced that it plans to roll out a 100 percent viewability standard in 2018, that publishers would need to adhere to in order to gain MRC accreditation.

The AANA says it remains committed to providing advertisers with guidance and tools to enable them, as the buyers of agency services, to take primary responsibility for carrying out their own due diligence and contract execution. As evidence of this, late last year Broome’s organisation teamed with the IAB and Media Federation of Australia to establish a working group to design and publish a common set of best-practice operating standards to improve transparency in the digital advertising supply chain. Drawing extensively from best practice solutions being developed in overseas markets and filling in any gaps with local solutions, Broome says the working group will seek input from all interested parties to ensure the standards are universally applicable, practical and relevant. Work is underway and the trio are aiming to deliver the results later this year.

“Marketers’ own accountability, knowledge and understanding of what precisely drives business-based outcomes is an important start in taking back responsibility for the performance of our digital supply chains. Equipped with these, both marketers and the AANA believe the industry can then forge stronger and more open contractual relationships. In turn this will build more enduring and sustainable partnerships with media agencies and build the strong levels of trust and confidence required to drive a vibrant and healthy industry,” he says.

Clearly of the ‘never waste a crisis’ school, IAB’s Solanki says one of the positives to come out of the transparency issue is the obvious need for clients to take the time to understand the contracts they are signing – ideally before they put pen to paper.

“You may recall that Pritchard admitted to not knowing the P&G media contract. That’s a significant admission and one that shows better contracts alone aren’t the answer. As an industry body, IAB can set a standard for transparency, but the reality is that each client and category is different and one size will never fit all. For example, a bank may have a different view to an irreverent underwear brand. Clients should be clear on the transparency they expect and then ensure it’s written into the contracts they sign.” 

Marketing

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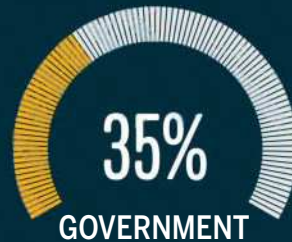
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TRUST ISSUES

It may come as no surprise that Australians don't trust government, business, media and NGOs. But how bad is it?

THE INSTITUTIONS – AUSTRALIA'S TRUST IN:



Australia's trust in business is significantly below the global average

Our trust in media is the second lowest in the world, only one percentage point above Turkey



WE DON'T EVEN TRUST OURSELVES ANY MORE

50%

In a section of the survey asking about the credibility of various individuals (CEOs, analysts, journalists etc), the credibility of 'a person like yourself' has dipped to an all-time low

AND IT MAY GET WORSE

TRUST HAS DECLINED ACROSS ALL THE ABOVE INSTITUTIONS FOR TWO CONSECUTIVE YEARS, WITH ALL FOUR NOW CLASSIFIED AS 'DISTRUSTED'.

TRUST IN MEDIA? DON'T BELIEVE WHAT YOU SEE.



of Australians worry about fake news being used as a weapon



say they are unsure of what is true and what is not



say the average person cannot tell good journalism apart from rumours and falsehoods

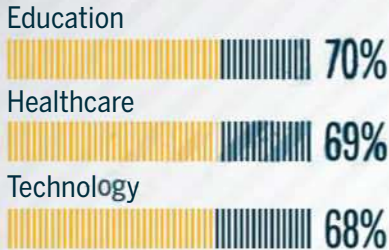


say news organisations support ideologies rather than just reporting facts

Source: Edelman Trust Barometer 2018.

TOP PERFORMERS IN BUSINESS

MOST TRUSTED SECTORS



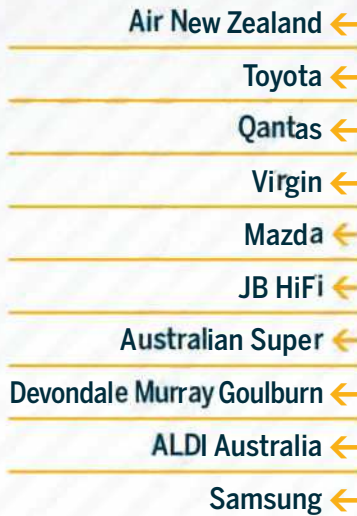
POOR PERFORMERS IN BUSINESS

LEAST TRUSTED SECTORS



SO WHO'S PERFORMING WELL?

TOP 10 MOST REPUTABLE BRANDS IN AUSTRALIA



Source: Australian Corporate Reputation Index 2018

TOP 10 MOST REPUTABLE BRANDS IN THE WORLD



Source: Reputation Institute's global RepTrak 100 - Corporate Reputation Study of 230,000 individual ratings, rankings, demographic trends and insights from Q1 2018.

COMPANIES' USE OF PERSONAL DATA IS A HUGE TRUST ISSUE. CREEPED OUT AUSTRALIANS ARE TURNING OFF THE TAP:



Source: Accenture 'Global Consumer Pulse' Research.

54%

OF AUSTRALIANS OBJECT TO THEIR ACTIVITIES BEING MONITORED BY A CONNECTED DEVICE, AND ONE QUARTER OF AUSTRALIANS USE AN AD-BLOCKER - MORE THAN THE GLOBAL AVERAGE.

Source: Kantar TNS '2018 Connected Life'.

Brain trust

Why is trust in brands and institutions declining and what role can marketers play to turn the tides?

MIKE HARLEY

It's declining because of two factors. One: there is a general move to question large organisations, governments and other institutions more broadly – not just brands – over the last 10 to 20 years. The other is the transparency that's now available. Any behaviour that an organisation has – large or small – is so much more readily visible to the community, more than ever before.

You essentially have a community that's sitting out there that is able to understand right or wrong and interpret companies' behaviour. Twenty-five years ago it never used to happen. It was so easy to cover things up. You can't do that anymore. Social and digital media enables that.

The role of challenger brands has changed a lot. If you look at where a lot of the growth is actually coming from in most markets, it is coming from smaller players coming in and disrupting the market. In that disruption they are also challenging the status quo and the trust of larger brands.

Marketers can help – internally, to actually act in a way that builds

trust as an organisation at all touch points with your community. From a marketing point of view, first, help people within the organisation – whether that's leaders or people on the factory floor or wherever else – understand the role they play in building or enhancing the reputation and trust of a business.

If it's not developed and aligned internally, it doesn't matter what you do externally with your communications. People won't believe you. The more you talk about the positive things, when people experience something different when they actually deal with you, the less trust you're going to build.

Internally marketers have a much bigger role to play.

JEMMA WONG

The battle for trust is ongoing and I doubt it's a new one. The natural response is to say, 'emotive branded content will solve this!' But marketers should avoid the trap of using 'authentic branding' as a gateway to building trusting and meaningful connections. Trust is about reliability, experience, and

quality, which ultimately transfers to value. And we should know the difference. The ones that know how to champion the needs of their audience and their people, talk about it with their board, pitch it to their executive, and influence the decision-makers to meet needs rather than sell dreams, will jump ahead.

Great examples of this: Zappos does a brilliant job at going above and beyond for people and creating genuine relationships. Netflix has invested significant dollars into its platform and recommendation algorithm to not only serve, but anticipate the needs of its customers through a hyper-personalised experience. To some, trust implies tight brand controls. But I prefer to think about it as opening the whole thing up. Because the community holds the power now. The smart ones, like LEGO, will tap into that community to crowdsourcing development or, even better, not sell to that community, but enable people within it to sell and talk to one another. In the process, you'll learn



Mike Harley
managing director
XPotential ANZ



Jemma Wong
head of audience growth,
AFL



Matt Zilli
chief customer officer,
Marketo

@marketingmag

more about their needs, patterns and perceptions than you would behind a desk. That's where the real value lies.

My challenge to marketers is to question your motivation behind trust. Is it about sentiment box-ticking, customer referrals, preference or is it about purposeful impact? Because I guarantee that trust is not earned with short-termism. It requires authenticity, intent and consistent action. The best examples of this are when companies develop this trust culture first internally.

In times of uncertainty, be the stamp of reliability, integrity and innovation for your category or industry at large, not just your product. Look at what regulatory role you may need to play to protect data, maintain balance or ensure progress. With voice, AI, frictionless payments and disruption in search, there is so much we can do to ease transitions.

Work through your motivations and ensure trust is a shared and owned belief system, and ensure everything stacks up to a higher-

order company purpose that contributes to people and the world. Get your service, experience and quality right, be consistent, be prepared to hand over the keys to your community, and invest in the right people to deliver a trusting culture and therefore a trusted customer culture.

MATT ZILLI

The breakdown stems from all different places, but I think the biggest one comes from the fact that we're still in a world that's evolving radically, and you don't always see the impacts. Take the most recent news about some of the biggest companies and their data challenges. In some cases they weren't trying to do anything bad, they just didn't keep up with how good they had to be at protecting data. But consumers don't really care – it's 'I trusted you and you broke that trust'. That's all it comes down to.

Because of the quantity of data and all the things that are happening, a real bright spotlight is shining on this issue right now, and I think the

rules for the best companies have remained the same irrespective of this. The rules have always been: be transparent around what you're doing and use what data you have to provide value, not to torment people, blast them or annoy them to death. And that's where marketing makes most of the decisions around how that data turns into something effective for the customer. Marketers play an enormous role in that and, if they choose to abuse it, or try to play a volume game where they don't really care about what they leave in their wake in terms of customers, but care a lot more about just getting that next customer, they'll do whatever it takes. That will destroy trust between a brand and a consumer these days. On the other hand, marketers that have really taken advantage of it, stick to it, are transparent about what they're trying to do, and use data to provide value? I firmly believe that's what customers and consumers want, regardless, and it's only when that breaks down that they really get upset. 🙄

Giving a damn is just the start

Afdhel Aziz tells *Marketing* how the space of cause-related business is maturing into a movement for which, like digital, success will only be realised by those who are constantly innovating.

After an extensive career in marketing on the client side at brands such as P&G, Nokia, Heineken and Absolut Vodka, Afdhel Aziz turned his attention to the world of purpose, aiming to replace tired notions of advertising-first marketing and business with a purpose driven one where brands think of people as citizens, not consumers, and try to fix everyday problems. Co-author of *Good is the New Cool: market like you give a damn* with Bobby Jones, he's now an international keynote speaker and founder and 'chief purpose officer' at his consultancy Conspiracy of Love. There he works with big brands and start-ups alike to help them make money and do good.

Marketing spoke with Aziz prior to his appearance at IAB and UnLtd's Positive Change series event, where we discussed trust, good, cool and how, just like digital, it's a space where brands can't afford to ever stop innovating.

Marketing: Trust for businesses among consumers and the general public – particularly in younger generations – is on the decline. Why do you think this is?

Afdhel Aziz: People have seen companies do horrible things for a long time! When people are treated as consumers by a company, and treated as commodities, it breeds a certain disrespect. People have had a long history of not believing what companies say, especially through advertising. We are growing up with

a generation of people who've been exposed to advertising since they were kids and can smell bulls**t from a mile off. Shane Smith, one of the founders of *Vice* has a great quote: "Young people have amazing bulls**t detectors, and the only way to reach them is to not bulls**t."

You're seeing this generation of consumers grow up hyper-aware of the tricks that advertising has played on them. They're completely knowledgeable about how to use tools like social media – in some ways, better than brands. Kids, by the way, are brands themselves, they know how to position themselves on Instagram or Snapchat and shoot their lifestyles in beautiful ways. All of this has led to consumers distrusting brands for all the smoke and mirrors that they put out there. That's where



“The only companies that I haven’t been able to figure out how the ‘good is the new cool’ model works for are guns and tobacco.”

**GOOD
IS THE
NEW
COOL**

PURPOSE
**BE THE NEW
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the title of the book comes back into play. When we say 'good is the new cool', one of the ways to read it is by saying: it's no longer enough to be cool, because everybody can do cool, and people don't believe it any more – you have to be good, and being good, with a dash of cool, is really the kind of new game for brands, where they actually show the real impact of what they do. It's not enough to just do some storytelling. These consumers hold them to a higher account, to a higher order of behaviour.

We are in an age of radical transparency, where it doesn't matter what message you put out on social media or in advertising, you can log onto Glass Door and find out what your employees really think about you. You can get on social media and see right through the claims of making ethical, sustainable products and call bulls**t on brands.

Companies really need to embrace a new mentality where they're no longer relying on the tricks of advertising, but by really revealing themselves at a core level to show people who they are. There's a great quote that sums it up from a friend of mine, Russ Stoddard, who says that the goal of a purpose driven company today is not to tell a story, but to *become* the story. When you look

“In this country you've been lucky enough not to have what we call a 'triggering incident'.”

at companies like Tesla, Patagonia, Airbnb, where people really believe in the mission of those companies and become their fierce advocates, you can see how that's really the new bar for companies to set.

Is that the only way you differentiate between good and cool brand practice? Are there other differences?

It can be read a couple of different ways, one is saying 'today, to succeed as a brand you cannot just be cool, you have to be good'. You have to really show how your values drive you and how you manifest in the world, and show how you actually make the world better through your actions, through your products, through your marketing in some cases. The flipside of that, is that it is still important to do that in a cool way. Cool matters. When you look at Tesla, for example, the fact that it has a super cool design is a huge part of why it was able to have this amazing adoption curve and growth rate of people embracing it and embracing

electric vehicles in general. Tesla uses the power of cool to kick-start this moment in a way that previous car designs, like the Toyota Prius or the Chevy Volt did not. They just weren't cool. That's the other part of what we say – you need to lead with the cool, but bake the good in, in order to make sure that you attract consumers who are very savvy, very design literate, and who are very choosy about where they put their dollars.

A lot of brands are trying to work meaning and cause into their business. Do you really believe that all brands can make this work? Are there businesses out there that can't, or for which there is no need?

I think the only companies that I haven't been able to figure out how the 'good is the new cool' model works for are guns and tobacco. Not that you have the former here in Australia, but they certainly have it in the US. I think that any product, any company with any product or service, can always find a way to add some social good into the mix.

I get asked this question a lot; for example, 'What if I'm a sodapop manufacturer who makes sugary drinks? Do I have the right to try and do some social impact?' The answer

is yes. Absolutely, as long as you do it authentically and meaningfully. The example I always hold up is Ben and Jerry's, the ice-cream company. It has a tremendous track record of doing social good for the last 30 years. It is probably the nutritional equivalent of drinking soft drink. If a company like that can find ways to actually do good around the products – as long as the product itself is harmless when it comes to responsible consumption – then, yes, I think that every company should and can do it. How they do it is a different story. You have to do it in a way that aligns with your business model, your values, what your employees believe in. Otherwise it just comes across as brandwashing, or virtue signalling, or something that you're doing to jump on the bandwagon, rather than it being an indication of your core values and who you really are.

What are your suggestions for brands looking to find meaning, an authentic angle, that will work for them?

Advice that we give our clients is: always start from the inside out. Start by really getting your own house in order first. Make sure your employees are fairly paid and live off

what you pay them. Make sure the products you're making are made in a sustainable, ethical manner, in a way that doesn't poison the planet. Make sure that you're paying women the same as men in your companies, and you're not discriminating on the grounds of gender or any other differentiating factor. Do all that first before you start going external, before you start thinking about trumpeting your virtues to the world outside. Because if you don't you will always be subject to criticism, and people saying, 'It's hypocritical of you to tell me how to live my life or preach a certain viewpoint when you don't have your own house in order.' Rule number one is making sure that you go inside out and do it in a really authentic, meaningful way as well.

What other brands are getting it right in this space?

The really interesting new frontier is how you can make money by doing good. The example I always hold up is Adidas, which is doing the Ocean plastic shoe, I don't know if you've seen that, but this is a shoe made out of ocean plastic waste. Every pair has the equivalent of 12 plastic bottles in it. Adidas sold a million pairs of those shoes last year and has gone on record saying it will

“Companies have to adopt social impact purpose much like the way they adopted digital.”

sell five million in 2018. Now, the average retail price of these shoes is \$220, which means Adidas is going to make more than a billion dollars of revenue in creating a product that solves a social issue, which is marine plastic. To me, that's the new frontier where if you can show that doing good can affect your bottom line, and there's a line in the P&L (profit and loss) that shows revenue generated, suddenly you're integrating it into your business model. Doing good isn't some sort of ancillary thing that's happening over on the side, it becomes part and parcel of what the company stands for. To me, that's the real exciting new frontier. As Peter Diamandis says, the world's biggest problems are the world's biggest gold mines for companies. I'd like to see more companies thinking about how – like Adidas – they can find ways to integrate doing good into their core business, as opposed to it just being something off to the side.

Right now it's a competitive differentiator, too, when it comes to engaging with socially conscious consumers. Once a majority of brands are on the bandwagon, can you see this angle start to lose meaning, where...

It no longer becomes a differentiator, yes. First of all, I would love that Utopia to happen! I don't think it's going to happen any time soon. The way that we think about it is: companies have to adopt social impact purpose much like the way they adopted digital. There is the same curve happening where, just like they went from having a website, to adding social media, to digital being part and parcel of every single aspect of the company, so it goes with this space. Ten years ago it would have been called CSR (corporate social responsibility). Five years ago, it would have been something to do with sustainability or cause marketing. Now it's maturing into this thing that affects everything that you do, from how you to recruit and retain talent, to what products and services you make and how you go to market. The thing is, just like digital, there's never a point where a company will go, 'Oh, we're digital enough'. There's always a next frontier, and a next frontier, and a next frontier. Similarly, there's never a point where a company goes, 'Oh, we're good enough'.

Even those companies like Airbnb and Patagonia as examples – they're constantly innovating, to find ways to do more good. There's always another ceiling to break, another boundary to breach. I don't think we're ever going to get to a point where every single company on the planet is A, doing good and B, saying, 'This is it, we've stopped'. I

“I think the bigger opportunity is actually seeing how doing this kind of meaningful work makes companies more productive. Employees want to show up and work in companies that do a lot of good.”

think the principle of 'innovate or die' applies to this space as much as it does to something like digital.

Is there any work out there that excites you?

As a follow-up to the book, we're now working on a *Good is the New Cool* TV show. We're now in active conversation to figure out how to tell stories of these inspiring people out there, the world changers we call them – the innovators and provocateurs who want to use business and culture for good. I think that's what's going to be really exciting – going and finding more inspiring stories of social entrepreneurs and activists, who are finding these new models and getting it out there. There's going to be a tonne in Australia, I can feel it, I can see it already, and I'm really looking forward to coming back here and finding out more stories of people doing this and starting to see the bigger picture of this movement that we're creating.

How is Australia stacking up against the rest of the world in this space?

There are some really impressive brands here. I think we're seeing heaps of it appearing across multiple

categories and multiple industries. I think the thing that's different to the US is that there isn't a sense of urgency. In the US, there is a feeling that corporate activism, as you call it, is white hot in terms of businesses telling other people their values and innovating products. That's what I'd love to find a way of doing – accelerating what is already a growing movement here in Australia, which has so much potential to do good for this country as well.

Do you think that has anything to do with consumers here? Are we more complacent? More trusting?

In this country you've been lucky enough not to have what we call a 'triggering incident'. So, in the UK you have Brexit, in the US you have the Trump election. Those were massive catalysts for people to really wake up and go, 'OK, I need to get involved, I can't just sit on the sidelines. The work I do and the impact and how I show up in the world matters.' I don't think you've had that here. Also, there's a really great government and state welfare approach, where a lot of the social issues are tackled by the government. There isn't that same sense of urgency that companies need to step into the breach. I think the bigger opportunity is actually seeing how doing this kind of meaningful work makes companies more productive. Employees want to show up and work in companies that do a lot of good. You can unlock a serious amount of potential and talent and resource if Australian companies are able to really show people how their work ladders up to something much bigger than just making the next quarterly profit goal, but really can change the world for the better. **M**



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Chatbot or not?

Colin Smith explains how to navigate usefulness and privacy to optimise customer experience with chatbots.



Messaging is massive. There are 1.3 billion people using Facebook Messenger. One billion people use WeChat in China alone. It is the preferred method of communication in three of the top global markets: Singapore, India and the US. A Twilio report found South Koreans are the most comfortable with the approach, with 46 percent preferring it over email, face-to-face, telephone, live web chat, mail and others. Almost half of all Australians are on Facebook Messenger – meaning, as a brand, it’s probably a good idea to operate where your users spend their time.

Enter chatbots – an automated response bot that can handle specific questions from customers. Facebook has previously allowed any brand to build an automated chatbot onto its Messenger platform. However, at the end of

March – in light of recent events – the publishing of new bots was temporarily suspended. Let’s look at how you can stay on the right side of users’ perceptions around privacy when it comes to your bot strategy.

THE RIGHT RECOGNITION

Personalising communications has been spoken about at great length on these pages, engaging customers with a degree of familiarity while stopping shy of full blown data crawling creepiness. Steering clear of an ‘uncanny valley’ conversation (where humans are disturbed by bots acting exactly like humans), when designing bots it’s about striking the right balance of what technology can do and what the public is ready for. Within the chatbot ecosystem it remains a thin line to tread. For the customer? They want immediate access to information. For brands, it’s how do you service that need in the most accurate yet cost-effective way?

To give an idea of cost efficiencies, Kia recently launched a chatbot, Kian, as a direct source of information about its vehicles. It drove a 21 percent conversion rate. That is staggering, when the average automotive retail websites convert at a rate of just one to seven percent, according to Ward’s Dealer Business. Social interactions cost less too. According to Incite, resolving a problem on social media is six times cheaper than doing so via a call centre.

JUST BECAUSE YOU CAN, DOESN’T MEAN YOU SHOULD

Rather than looking at the technology as a solution, it’s worth asking what problem you’re looking to solve. In our experience, it’s best to have a specific objective that is looking to be met and then design a solution around that. Mortgage lending, for example, can and is being automated. Any decision that can be answered based on an historical data set works for obvious reasons. Settling insurance disputes is an example. Or in the service trade, where Domino’s even offers delivery with just an emoji. However,

when it comes to sensitive information or potentially reputation damaging issues a, chatbot may not be the best solution. There will always remain scenarios too, where customers will want to speak with a human; for example, if a delivery driver hits your car and you'd like to vent at a representative. Likewise, if there's a chance of your service actually being used in an emergency, then an automated response won't be the ideal one. Chatbots work very well when you're looking to extend the same conversation with a customer and keep them engaged over a period of time.

WENTWORTH RAT

To illustrate what I mean, we recently were tasked by Foxtel to drive interest across *Wentworth* season five. The episodic nature of the series meant there was an audience hungry for more content between instalments. Enter the Wentworth Rat – an anonymous character created to deliver exclusive stories about the inmates to die-hard fans. It was a simple premise and I'd like to share what we learned. Authenticity is crucial, and iterating as we went helped the average engagement time with The Rat reach 69 minutes. How? Bots with a personality are more successful than those without. In this case, the more the rat swore and the worse the language became, the more the audience engaged. A/B testing guided our approach. The bot was also asexual, as allowing users to project their own interpretation of the character worked best for us. People are willing to engage with technology that provides them with significant value. The more value you provide, the longer you'll keep their attention. It can be used as a version of content marketing in that way.

POTENTIAL PITFALLS

Context here is key. Messaging is primarily hosted on a mobile device. The customer usually initiates the contact, so is already welcoming a response. Addressing them by their first name is fine, regurgitating data in which they're not interested or find intrusive would not be.

This means that, when designing bots, we always have to strike a balance between 'relevant' and 'outright

“Engaging customers with a degree of familiarity while stopping shy of full blown data crawling creepiness...”

creepy'. This is partly achieved by careful persona design and conversation mapping, but also by relying on data management. This means ensuring that customer data is held by the client, not by the bot. Third party analytics engines also help to distribute and anonymise personal data, meaning that private information stays private and we avoid creating a bot that is a honeypot for identity thieves. I imagine Facebook will be working on something like this as mandatory for all new bots on its Messenger platform (which has partly reopened with limited page connections).

Artificial Intelligence is not ready. Bots cannot have free flowing conversations with humans yet (the reason Facebook's virtual assistant M closed earlier this year). Therefore a conversation that starts, 'how can I help you today?' is setting the bot up for failure. A bot that opens with 'Hi, I'm the bank bot, I can help you find your nearest free ATM' will work much better because the context is tightly defined. We found that, within a bot we built for a bank, people were reticent about sharing their location data, no matter how easy we made it. Instead, users started manually typing in their postcode, so we taught the bot to recognise this, and everyone was much happier.

RISING AUTOMATION

Intelligent automation (note, this is not AI) isn't an exact science yet. Design a solution based on your hypotheses, A/B test, harness the insightful data and iterate as you go. Chatbots allow marketers to understand exactly what customers are looking for. This in turn can benefit other channel strategies. Learnings from a chatbot can inform the layout of a website, for instance. Gartner has predicted that by 2020 we'll have more conversations with bots than with our spouses. Testing what works before use and before expectations are heightened is what we're advising clients.

Working for a messaging company, I'm more likely to say that, but I'm not alone. Forrester's 'Customer Service 2021 Report' highlights the brand opportunity across mobile and messaging in particular. We can all learn from Echo versus Siri. Amazon managed to deliver simple use cases well and those interactions became adopted. Apple tried too much, too soon and has become much maligned. You need to provide value where your customers are, not just use it as another broadcasting channel. In that Twilio report, 85 percent of consumers want to be able to send businesses a return message. Engaging in automated conversations will give you a more holistic view of your customer. **1**

Colin Smith is On Message product lead.



Microsoft





Culture and the difference between leadership and management

In his keynote speech at Microsoft's Business Forward event in Melbourne in April, former Australian Chief of Army Lieutenant General David Morrison discussed three attributes all great leaders understand and share.

David Morrison retired from his post as Australia's Chief of Army in June 2015. In his time at the helm he took a strong public stance promoting gender equality and cultural change within the army, and still champions the idea that transformation must start with people. No stranger to leadership challenges, and public and media scrutiny, he often shares his experiences and lessons learned.

On 11 April, at Microsoft's Business Forward Melbourne event, he was introduced and later interviewed by Microsoft Australia's COO (chief operating officer) Rachel Bondi. After acknowledging the stories of Australia's Aboriginal and Torres Strait Islanders, and the victims and survivors of domestic violence – which he believes to be Australia's greatest social issue – he began.

David Morrison: Leadership is an enormous subject. It's one that receives enormous amounts of introspection and analysis. People write about it and talk about it almost without cease now. And I wonder if in part that's because, as we look at our complex and sometimes troubled world, we discern a lack of leadership at various levels in our global society and indeed in our nation. I'm not going to give you a Leadership 101 synopsis, I can promise you that. I've exercised my leadership, after all, in a male-dominated, very hierarchical, military organisation for over three and a half decades. And I know that some of the challenges that you face in your world are different to the ones that I face. But I'm just going to give you three aspects of effective leadership that over the course of a long career have really made an impact on me. First of all, I think that effective leaders understand that we manage so many things in our lives – the apps on our smartphone, our inventories, our profit and loss reports – but that we only lead other people. Indeed, the exercise of leadership is as personal a human experience as you could possibly describe. Spending time understanding human nature (and good luck to you on that one) is an absolute hallmark of effective leadership [as is] understanding that those we lead, those who voluntarily choose to follow us have hopes and fears and aspirations that have to be accommodated, not just personally but also professionally. How we effect and make real the exercise of leadership I think is largely achieved through language. There was a controversial, very controversial, but very influential 20th century philosopher, a man called Martin Heidegger, who I think was absolutely right, whatever his political views were, when he said, "Man thinks that he is the shaper and master of language, but in fact he is shaped and mastered by language." I couldn't agree more.

A second aspect of effective leadership is that those who lead in a professional sense are continually stopping to think about their professional world in the context of the world around them. Now, this is something that readily

identifies itself in terms of a successful organisation or an organisation that is failing. There are definitely societal expectations now around equality – be it gender or racial or religious or sexual – that have direct impacts on how organisations see themselves in their world, not just their professional world, but the world that a great organisation like Microsoft services. Leaders who lose sight of what society expects of them and their organisations actually run the risk of dooming the organisations they lead to irrelevance. Let me give you a very personal instance of that. I became your Chief of Army in June of 2015, and I

“ Leaders who lose sight of what society expects of them and their organisations, actually run the risk of dooming the organisations they lead to irrelevance.”

had moments and circumstances that forced me to conclude – fairly early in my tenure – that a great national institution, the Australian Army, that had existed since 1 March 1901, was actually losing relevance with its marketplace. And I ask you to put yourself in my position just for one moment and think about that in terms of the business that you conduct: losing relevance with your marketplace. Who was my marketplace? The mothers and fathers of Australia, you, who at dining room tables in conversations with your sons and daughters were actually ensuring that sons but especially daughters would be discouraged if they even posited the idea of military, particularly army service, because the culture of that organisation would not recognise you or the potential that you want to achieve. I think that has a broader resonance. I think that leaders who see themselves as somehow inured from the changes that we see in our world, be they environmental, ecological, environmental or social, do walk a very fine line.

And a third aspect of effective leadership is that leaders stand next to the big issues. They don't put staff or spin between them; they decide that they are going to be identified as a success or indeed perhaps as a failure in tackling the issues that only they as the leader can actually deal with. Now, I think I was probably ideally prepared to be your Chief of Army, not the ideal chief, not the ideal candidate during the terms of selection, but at least ideally

prepared. I'd had operational service, I'd managed big issues, big capability development projects, big budgets and I'd certainly attended to the personnel issues around the performance of soldiers in our army. But the big issue for me during my four-year tenure as your Chief, was one that was completely unlooked for, and that was cultural. And it's to that cultural theme that I want to turn in just a moment, but I want to give one more perspective on leadership. Very early in my time as your Chief, I was addressing a military audience at our staff college. And I was asked, by hopefully a future general at the end of what I thought had been a pretty reasonable presentation, what's it like to be the Chief of Army. And you would think, would you not, that if anyone had a readymade answer for that very logical and rational question, it would be the incumbent. But I didn't. In fact, I failed badly, stumbling through an answer that was very inadequate. I went away and thought about it because I thought I'd be asked again, and indeed I was. The next time I was asked what's it like to be the Chief of Army, the head of a 45,000-person organisation with this great national story of over a century to tell behind it, I answered in this way. I said: as a leader, I think I live permanently in three time zones. I always live in the past, because for the tenure of my appointment I am the custodian of its history, its heritage, its ethical foundations. And I live in the present, like we all do, making the decisions that take us from one sunrise to the next. But most of all, I concluded, I told my audience, I live permanently in the future. And that is where I think real leaders live. Of course they are concerned with our contemporary world and of course they know they have a responsibility to an organisation's history, its reputation. But most of all, they realise that their legacy, for good or for ill, will have resonance, indeed will have reality long after they have finished their appointment. In my own case, particularly around military culture, I think I will have had an impact, and it will have an impact on future soldiers, those perhaps yet to be born, when I am a faded photograph in a dusty hall, when my name is no longer attached to the initiatives that I helped to engender during the tenure as your Chief of

“The hurdles that you will be asked to jump are higher than the hurdles that David Morrison was asked to jump.”

Army. It's that idea of the future that is so exciting for you all here clearly at a conference and a meeting such as this, brought together by one of the iconic global firms in the world, that have shaped the world that we've lived in to date over the last 30 years, and will certainly shape the rest of our lives and our children's lives. And decisions we make now will absolutely have the same gravitas and import. Now, I said that I would speak too about culture, and I have got not one qualification to do so. I never studied anthropology, I'm not a sociologist, and yet I was faced with cultural issues, so I think I'd better define it for you. And then I'll prove it, I'll prove that definition. And I'll conclude with the idea around legacy. I think culture is the stories we tell ourselves about ourselves. That's it. And to any anthropologist in the audience, I apologise. To anyone thinking of doing anthropology, I've probably taken years off your university degree. The stories we tell ourselves about ourselves, that's it. I said I'd prove it, so I will. I'm going to say two words to you now, and I'm going to tell you all what you thought. Ready? This is a really amateurish anthropological experiment. I've done it probably a hundred times, and I have yet to have someone say, 'No, you got that totally wrong.' But anyway, today could be different. The two words are 'Aussie Digger'. And for any international guests in the audience, that term digger means soldier. Aussie Digger. And you've thought of a male who's white and who's Anglo-Saxon, probably from a rural background, a natural soldier requiring almost no training, who fights best with a hangover, who never salutes officers, especially the Poms. But if any of you thought of a man or a woman of Torres Strait or Aboriginal heritage or a man or woman of Muslim faith or a man or woman of a different sexual orientation to mine, which is heterosexual, I think it unlikely, because encapsulated in those two words is a world of meaning. It's not an accurate description of the world of our army, not in our past, certainly not in our present, and indeed not in our future. But it says to women, and to men and women of non-Anglo Saxon heritage, 'don't join, don't come'. And if you do, never spelled out in writing but absolutely crystal clear is the fact that the hurdles that

you will be asked to jump are higher than the hurdles that David Morrison was asked to jump. The one qualification I have, one pretense to academic qualification that I have is that I hold a master of arts and strategic studies. And I can tell you now that I am absolutely convinced that culture eats strategy for breakfast. That's why leaders wanting to make an impact, wanting to leave a legacy, living in the future as they do, have to attend to the stories that the organisation tells itself about itself, and have to ensure that as strong as that culture might appear, and the culture of the Australian Army has sustained millions of our fellow Australians in the direst of circumstances over the last 116 years, but nonetheless, aspects of it were exclusive not inclusive. Coming to that realisation changed me, not just as a general, not just as a leader, but as a man, recognising that my life had been far too much predetermined as a result of my sex, my ethnicity, my sexuality and my religious beliefs. And I could ask for a show of hands now, and let's be honest with each other, could I get a show of hands of everyone in this audience who thinks that all of the answers that have to be found to meet both commercial or environmental or sociological challenges that we face as a nation or as a planet are going to be found, but only within the ranks of middle aged, white, Anglo Saxon men? No. I thought so. I know I'm speaking to an enlightened audience. But we need to be careful in this country. We tell ourselves that we are egalitarian. We absolutely pride ourselves on the idea of a fair go. And yet, in a country that has mateship as one of its foundation narratives, we have a gender pay gap in this country, for example, across all of our workforces that sits at about 17.8 percent. And indeed, in the IT industry, an industry that has only really come into being in the last 30 years, you would think one that would be much more open to the societal expectations of a contemporary world, the gender pay gap, according to ANZ and its study of two years ago, in your industry it isn't 17.8 percent, it's closer to 30 percent. We need to be careful – that's really my only admonition – about the stories we tell ourselves about ourselves, and we need to

“ Leaders wanting to make an impact, wanting to leave a legacy, living in the future as they do, have to attend to the stories that the organisation tells itself about itself. ”

make sure that those stories reach out and include, because no one is going to reach their potential without it. And if they don't reach their potential, then you are not going to reach yours either. Now, I said that I would conclude with an observation about legacy. Very early in my military career, I was really struggling to find the framework of my professional life. I'd joined the army for some fairly base reasons, I have to tell you. I had done one of the most indifferent bachelor of arts degrees in the history of the Australian National University. I had a great time. A four-year arts degree takes a certain talent. And to be honest with you, I was broke and I didn't want to be a public servant in Canberra. So I thought I'd join the army and I'd spend two or three years and I'd get a bit of money and then go and do something else with my life. And it's pretty much the way it worked out; it just took me almost 37 years to get there. But in my third year I was at sea, if you don't mind that rather quaint pun for an infantry soldier. I had been posted to the infantry school at Singleton in the Hunter Valley in New South Wales. And I can't remember why on a particular day I had just, well, if I can be crude, pissed everybody off. I had done something and everyone wanted to have a piece of me, and I was sick of it. I just wanted to go back to my small room in the officers' mess and have a beer and think about my life as Mr David Morrison, not Lieutenant David Morrison. And the man who worked for me at the time, my platoon sergeant, said, 'I want a word with you.' Now, I really didn't want a word with him. As I said, I wanted the day to end. But he shuffled me into a very small office and he slammed the door, which was unusual, and then he pointed at me directly in the chest, which was even more unusual in a disciplined, hierarchical organisation like an army, and he said, 'You need to realise that you are the legacy of everyone who has served before you, thousands and thousands of soldiers. And you are the legacy of your parents and your teachers and your friends. And what you are failing to do is asking yourself what is the legacy you are going to leave.' And that's it, it's all about the legacy. **M**

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HOW IMPORTANT IS TRUST
IN SELECTING A PROVIDER?

SAVINGS AND
TRANSACTIONS
ACCOUNTS

CREDIT
CARDS

SUPER
ANNUATION

HOME AND
CONTENTS
INSURANCE

Not at all important	0%	5%	3%	2%
Slightly important	2%	3%	2%	2%
Somewhat important	15%	16%	14%	15%
Very important	38%	36%	35%	41%
Extremely important	46%	41%	46%	40%

WHAT IS THE BIGGEST INFLUENCE
IN SELECTING YOUR PROVIDER?

SAVINGS AND
TRANSACTIONS
ACCOUNTS

CREDIT
CARDS

SUPER
ANNUATION

HOME AND
CONTENTS
INSURANCE

Price	48%	62%	46%	61%
Service	18%	12%	14%	15%
Reputation	15%	9%	23%	14%
Privacy/security	11%	12%	5%	3%
Brand ethics/values	5%	3%	6%	4%
Other	2%	2%	5%	2%

Marketing and Research Now SSI have teamed up to bring you industry-specific Voice-of-Customer survey results. We'll look at automotive, retail and more. Each survey samples 1000 people in Australia and 600 in New Zealand, adjusted to be representative of the age, gender and location make-up of each country. This page contains top-level results for Australia. For Full reports visit marketingmag.com.au/offer/VOI-reports



HOW IMPORTANT IS TRUST IN SELECTING A PROVIDER?

	HEALTH INSURANCE	CAR INSURANCE	HOME LOANS	CAR FINANCE	PERSONAL LOANS
Not at all important	4%	2%	5%	8%	7%
Slightly important	3%	2%	3%	5%	4%
Somewhat important	14%	14%	14%	20%	17%
Very important	36%	43%	36%	36%	35%
Extremely important	43%	39%	43%	30%	36%

WHAT IS THE BIGGEST INFLUENCE IN SELECTING YOUR PROVIDER?

	HEALTH INSURANCE	CAR INSURANCE	HOME LOANS	CAR FINANCE	PERSONAL LOANS
Price	58%	63%	70%	62%	62%
Service	19%	14%	7%	8%	7%
Reputation	14%	15%	13%	12%	13%
Privacy/security	3%	3%	4%	7%	9%
Brand ethics/values	4%	4%	4%	7%	5%
Other	3%	1%	1%	5%	4%



**“They’re not
cash-grabbers
– the genuine
ones.”**

THE CUTTING EDGE OF INFLUENCE

Natalie Giddings, owner and managing director of The Remarkables Group, has built a career from being able to dissect and specialise in each new development of a rapidly evolving marketing movement. By [Michelle Keomany](#).

@marketingmag

Giddings is as immensely bright as she is bubbly. She speaks to you like you're having coffee and cake on a Sunday afternoon. For someone in the thick of social media marketing, she doesn't even use one word of jargon or industry-speak. In just 10 short years, Giddings has held pivotal roles in Australia's social media marketing industry. She was one of the first to begin specialising within social media, first as a strategist at Think Tank Social, before founding Pollen Marketing, her own boutique specialist agency. She went on to work with Australia's largest brands at Mediabrands where she was first exposed to The Remarkables Group, the strategic influencer agency of which she is now owner and managing director.

Giddings is at the forefront of deciphering the science that goes into influencer marketing. She talks about the diverse mix of influencer types – from storytellers to experts, authorities, role models and everyday people. She describes them as “People we aspire to be or people we relate to.”

“But above all they are sharing from their own genuine experience. It's a beautiful blend of online reviews marketing and peer-to-peer marketing. Because you get to know these influencers so intimately that when they come across something they like, they'll say it and when they come across something they don't like, they'll say it.”

At the core of effective influencer marketing is understanding your consumer barrier or brand message.

The process the agency utilises is extremely involved, from conception to deployment. The Remarkables Group has a unique approach, guiding brands through the initial phase of developing an influencer strategy using a six- or 12-month program. During this time, it will develop an initial strategy, then research and analyse a potential talent pool of influencers using a six-step process, as well as vetting audiences and managing negotiations before a rigorous onboarding. So, if you thought all that goes into an influencer campaign was sitting on a beach drinking skinny tea and using teeth-whitener, you're very much mistaken.

“The amount of nos we got when we were working with talent was huge,” she recalls. “Combined, maybe \$400,000 to \$500,000 of work was turned down. They're not cash-grabbers – the genuine ones – the professional ones will only work with brands that they can genuinely endorse or love.” The Remarkables has been active since 2012 and is currently navigating the rapid shifts that the industry is experiencing. Giddings says that this is well within her comfort zone and speaks to her desire to always be on the cutting edge of something – a theme that has followed her through her entire career.

Giddings' career actually started later than most. After having children young, she started a telemarketing job from home while she looked after her three kids. Her new marketing manager saw something in her, offering her a marketing coordinator role and encouraged her to do the Business Marketing course at RMIT University. She never looked back. She was 26 when she started the degree, fitting it around full-time work and raising her children. “I remember repeatedly overhearing many of the other people in the course say how overwhelmed they were, struggling to keep up with the workload because they were so ‘busy’ and ‘tired’... This made absolutely no sense at all to me. Was I magically bending time? No, it was that time had a different meaning or value to me. I couldn't afford to spare one moment of any day. I cultivated every moment for a purpose.”

It's this sense of purpose and simply ‘getting things done’ that has guided Giddings through everything she has set her mind to. Maximising the potential of what she has around her has been pivotal from the beginning. “Setting smart priorities was essential,” she says. “Getting things to completion actually before deadline was my way of life because there were always last-minute changes or surprises. And when surprises arose, if I hadn't allowed for it, there were three little people waiting for me at home who wouldn't comprehend a deadline.”

In 2007 Giddings began working in an IT environment, providing the structure she needed to learn the fundamen-

Natalie's top five tips for working with influencers

- 1** Start with a strategy to ensure success. Without one, you'll be missing opportunities.
- 2** Don't treat every influencer the same (e.g. mass briefing), because each has different strengths and opportunities for your brand.
- 3** Stronger results happen when you take a longer-term view and truly partner with influencers. Think about this from the audience's perspective.
- 4** Set meaningful monthly KPIs, so you can optimise, adjust and plan your activity accordingly.
- 5** Take due diligence on influencers, this entails much more than a brief scan on their content and the size of their audience.

tals of online marketing and understanding how everything was interconnected. "They were very serious about having a decent online presence, which led me to research best practices in web copy, sitemaps and SEO (search engine optimisation). Plus, working with Microsoft, VMware and Cisco, they were big on events, so understanding email marketing became critical for driving registrations. I created an early version of a sales funnel, which then led to social media and content marketing. I needed a solid email marketing practice and I had to self-learn that."

Nothing seems to faze Giddings, if there is something she doesn't know, she simply researches it and teaches herself. Understanding great communication underpins everything she has achieved. "When people come to me and ask what they should study, [they say] 'I've done my marketing degree, but what do I need to improve on?' They always want to do digital marketing, but I always say, 'Go and do a really great copywriting course.' Because if you can understand the essence of things, you can communicate to people and therefore audiences, rather than getting stuck on the technical side. You can learn that by doing. Learning to communicate is a conscious effort."

One of Giddings' guest lecturers at RMIT was Sam Mutimer, founder

of Thinktank Social, one of the first dedicated social media businesses in Australia. "She was dynamite, my jaw was dropping the entire time she spoke," recalls Giddings. "I went and introduced myself and we got along like a house on fire."

Mutimer understood Giddings' skill set – which at that point had been self-taught in digital marketing – and invited her to be Thinktank's first social media strategist, making her the first social media strategist at the first social media dedicated business in Australia. She talks about what it was like to be self-taught and at the forefront of something that was about to explode, yet was at that point relatively unknown. "Social media was still just below the surface, there was no blueprint or template on how to do social media well," she says. It was here that Giddings started to realise the value in being a specialist and having the confidence to focus on a key area. "Specialising always paid off in a sense of work and success. There are insights that can only be discovered by working, managing and reviewing those programs first hand – something that's carried through my entire career. There are insights discovered by actively working day-to-day on real life campaigns rather than being a non-specialist." Giddings has an remarkable ability to understand each small detail without losing sight of the bigger picture.

After Thinktank Social, she ran her own boutique agency, Pollen Marketing, where she employed other mothers. "When starting my first digital marketing agency, I didn't deliberately set out to work with mums predominantly. I was just interested in working with the best people as special projects arose. Eventually my core team of experts were based around the world. We had such a great rhythm – even across time zones – of just getting it done." Thanks to her exposure to the IT industry, Giddings' mind was opened to the possibility of smarter ways of working, including

VoIP (Voice over Internet Protocol), cloud computing and virtual desktop solutions. She talks about being a WeWork-based team and if the team members don't have a client meeting in the office, they don't have to be in. "We have G Suite, Xero, Slack, Basecamp and Dropbox. The flexibility this mindset and these systems create allows for much more of the type of concentration you need when working on strategy, for example. Plus, you get to work with and attract brilliant people." She makes everything sound so easy. Does she have any advice for mums looking to get back into the workforce?

Natalie's five favourite influencers

- 1. Tanya Hennessy**
- 2. Sarah's Day**
- 3. Sugar Mumma**
- 4. Daisy Rey Dachshund (yes, a pet influencer!)**
- 5. Sophie Cachia (The Young Mummy)**

“When you are interviewing, businesses are very much looking for your soft skills. For me this is your proven self-learning, communication abilities, personal habits, emotional empathy and time management, among other traits.”

It was when she was at Mediabrands that she experienced the power of influencers and could see how pivotal they were becoming in the marketing mix. Giddings was approached by The Remarkables to help it pivot from talent representation to become a strategic adviser and influencer marketing management specialist. “We pioneered the influencer representation model way back in May 2012 and ran that model for four and a half years. As the influencer marketing space took off, we could see brands making the same mistakes – mistakes that we knew were avoidable. The decision to move into the strategy space was a really clear one. We couldn’t be providing the best advice when we had vested interest in the talent.” And, of course, Giddings couldn’t say no to this unique challenge and opportunity.

Despite influencers being the hot new topic, Giddings points out that in some ways nothing has changed, “People have always loved storytelling and being entertained, knowing the latest news and connecting with other people. It’s just our ‘sources’ that have evolved.” So, why are influencers so effective? Giddings explains that it starts with the trust capital they have built from sharing their lives.

“It starts with the trust capital they have built from sharing their lives.”

“Our third-party research study in January 2017, which included five quantitative and 1200 audience members, said that 35 percent purchased a new product in the last 12 months recommended by an influencer.

“Many influencers have tipped over into being as large, if not larger, than more traditional advertising platforms,” she adds. “That combination is powerful.

Vogue Australia – the largest read women’s beauty and fashion magazine – has a 55,000 monthly circulation. Australia-based YouTubers such as Nikkia Joy and Rachel-Lee have cracked over half a million subscribers each.” From the audience’s perspective, they actually seek out product recommendations from trusted sources. “Our audience engagement study from 2016 showed that 78 percent of audiences love it when an influencer they follow recommends a product. Indeed, they look forward to it. Plus, the number one reason for following an influencer is ‘it feels like catching up with a friend’.” Giddings says that even her children refer to YouTubers they like as their friends.

Like any shiny new thing, everyone is having a go at influencer marketing. In 2017 alone there were an estimated 14.5 million sponsored posts on Instagram. So what are some of the common mistakes that Giddings sees and how can marketers overcome the incoming saturation of the market? The first error is using content that is repurposed instead of custom-made for each channel and audience, or content that is unrelated to the brand’s messaging. She also says that there’s a lack of understanding of what true branded content is and that achieving the right balance is an art. And, of course, it’s all about the data, data, data. It’s common to misunderstand what real results are and get caught up in vanity metrics. Brands really need to better educate themselves on interpreting the results and drawing insights. “What they often find when it’s done properly is: maybe they don’t need to be publishing as often as they are or maybe they don’t need to be on as many channels. Maybe they can just focus on the one that is getting the most traction,” Giddings says.

“Navigate the sea of sameness,” is her sage advice, while also recommending that you don’t get stuck in the old school PR model of sending out a package.

“You’re better off spending a lot of time with one influencer, so they can carve and co-create a genuine story for your brand, than being in that sea where every post looks the same.”

Giddings is a refreshing and incredibly switched-on voice, who is continually breaking new ground in social media marketing and bringing audiences and brands closer together. **1**

Career timeline

JANUARY 2018 - PRESENT

Managing director, The Remarkables Group

FEBRUARY 2017 - DECEMBER 2017

Business director and partner, The Remarkables Group

SEPTEMBER 2014 - DECEMBER 2016

Managing director, Society Social Melbourne (Mediabrands)

DECEMBER 2009 - AUGUST 2014

Founder and director, Pollen Marketing

OCTOBER 2008 - NOVEMBER 2009

Social media strategist, Thinktank Social

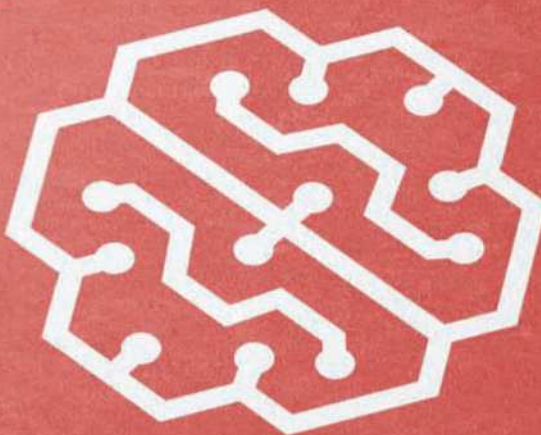
JANUARY 2007 - OCTOBER 2008

Group marketing manager, S Central



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Marketers: stop being a privacy liability

Brands using consumer data risk heavy fines and damaging press, says **Fatemeh Khatibloo**. It's time for marketers to take an active role in organisational training and security measures.



Fatemeh Khatibloo is principal analyst at Forrester.

Trustworthiness begets a positive customer experience. As a marketer, you intuitively know that having a trustworthy brand is important. Consumers today are also increasingly aware of the value of their personal data. As a result, brands can no longer afford to dismiss customer concerns about the use of that data. Marketing's evolution into a practice that relies deeply on individuals' personal information has created amazing opportunities to expand reach and deepen customer relationships. But this evolution also creates serious risks for marketers and their brands. In this day and age, marketers must develop capabilities that focus on how to protect themselves and their customers' data, while also maintaining their use of modern marketing practices. Traditionally, marketers haven't given privacy laws and regulations a passing thought. Those days are over. Practices like location-based mobile advertising require them to understand the constraints of privacy laws and regulatory frameworks like Europe's General Data Protection Regulation (GDPR). Marketers who lack this understanding risk massive data loss or misuse of personal information, which will inevitably lead to heavy fines, and bad press that could permanently ruin a firm's reputation. Consider the following:

“The privacy industry has yet to fully mature, but there are many services available to help marketers.”

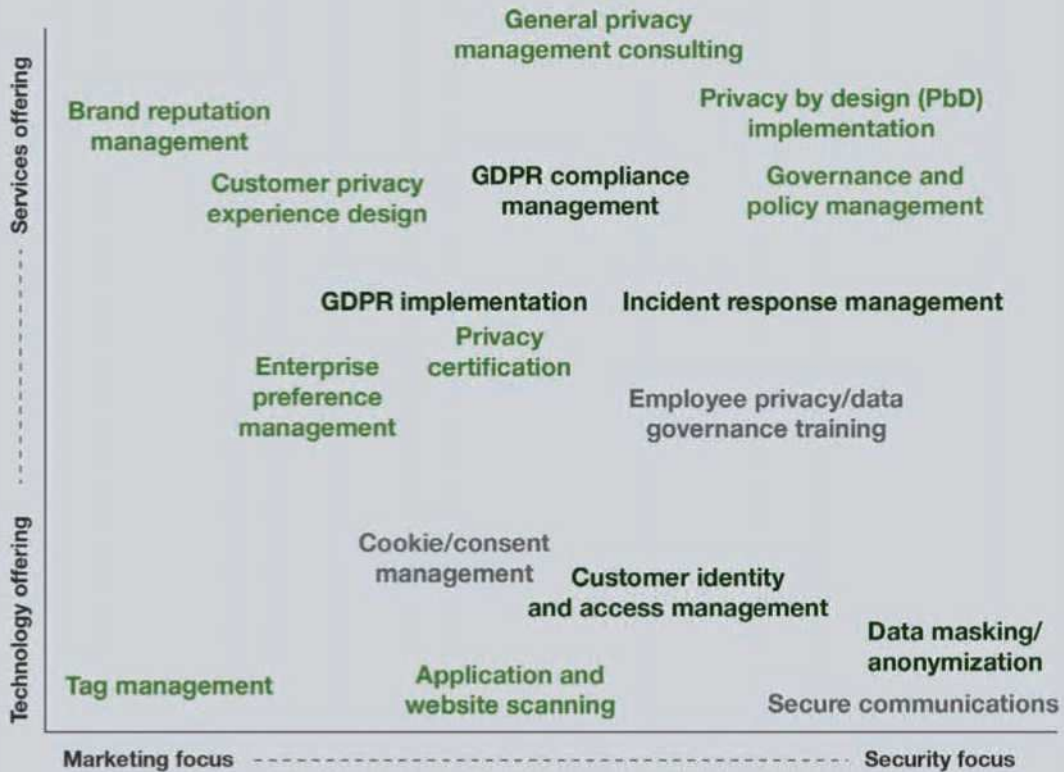
- ☀ **All it takes is one bad apple, or even just an uninformed employee.** This is why employee privacy and governance training is imperative to meeting privacy requirements. Even if marketers equip themselves with the necessary capabilities, if they forget to train employees, all previous efforts and investments in privacy will have been in vain.
- ☀ **You can't leave this to your security and legal colleagues.** We don't doubt their formidable abilities, but these teams rarely understand the business drivers behind new marketing practices and will often 'blacklist' technologies due to their security risk. Marketers need to be active participants in their firms' discussions around privacy and data governance.
- ☀ **Help with GDPR compliance.** GDPR is now in force, and most of the marketers we spoke to prior to its commencement date were struggling to understand the changes they must make to be compliant. If you don't want a nasty surprise from your CISO (chief information security officer) or CPO (chief product officer) when they cut off data feeds to a bunch of your most important vendors, you need to invest marketing resources in GDPR implementation services.

As the scope and scale of privacy requirements change, and consumer privacy practices become a competitive differentiator, brands will need to bridge their resource and knowledge gaps. Forrester conducted two surveys of decision-makers, suppliers, and other subject matter experts to find the most important privacy management capabilities for marketers navigating this new ecosystem. See the figure opposite for a summary of the core capabilities that marketers need to build a strategic privacy function. The privacy industry has yet to fully mature, but there

The Core Privacy Capabilities

The Capabilities Marketers Need To Build A Strategic Privacy Function

Life-cycle cost ■ \$ ■ \$\$ ■ \$\$\$



Source: Forrester's Q4 2017 Global Privacy Capabilities For Marketers Online Survey and Forrester's Q2 2016 Privacy Vendors For Marketers Online Survey

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are many services available to help marketers on their journey to being 'privacy obsessed'. It's hard to create engaging, simple privacy communications, or to manage the multitude of vendors who touch customer data on a regular basis. There is no shame in turning to an external partner to help navigate the choppy privacy waters that are so often filled with pirates looking to plunder your most precious asset – customer information. 📌



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“Traditionally, marketers haven’t given privacy laws and regulations a passing thought. Those days are over.”

Taking the LinkedIn lead

LinkedIn director of marketing solutions Prue Cox tells *Marketing* how to run solid content marketing and lead generation campaigns on the platform.

More B2B marketers are including LinkedIn as an instrumental tool in reaching their desired audience for their content marketing campaigns. Prior to her appearance at Ad:Tech in Sydney, Prue Cox gave *Marketing* some advice for organisations hoping to make the most of the platform.

Marketing: What are your recommendations for brands running content and lead generation activity on LinkedIn?

Prue Cox: It's about understanding the split between brand activity and lead generation activity. Clients – B2B clients especially – probably skew a little bit more toward the lead generation side and forget about nurturing the audience with content. It's so important to nurture your audience constantly with content in the feed. Five percent of our members' time on LinkedIn is spent in the feed, consuming content. It's a really ripe opportunity for marketers

to actually engage with them. What we've seen from our insights is, on average, it takes about seven to 10 pieces of content exposure before they'll actually convert, actually respond to calls to action (CTA). It's about understanding that split of upper funnel activity through sponsored content, as well as some of that stronger CTA content with lead generation activity.

So it's important to focus on building an audience rather than getting out there straightaway with a call to action?

You've got to build that brand. Consumers won't necessarily automatically just respond to a strong CTA. They do need to be nurtured through, they need to have exposure to the brand, and consistency of exposure to the brand and content before they're ready to really take and engage with that CTA. We often have clients with a split of sponsored content that is really more around that upper funnel thought leadership, which

then brings readers down through some lead generation forms to capture more qualified leads.

When you're talking about conversions, are you referring to clicking through to a brand's website?

Not necessarily. We also have lead generation forms. Our lead gen forms are pre-populated, so if you click on a strong CTA – it may be to download a white paper or to find out more – it'll actually bring up a lead generation form. That's already pre-populated with member information. That's not even taking members away. They can actually do that within the feed. Or, it may be that a client wants to actually do that lead generation or conversion onto their own site as well. It depends on the KPIs of the campaign. The more steps that you make people go through, then you do actually lose people along the way. With our product, it can happen at one or two clicks, and still keep them within LinkedIn.



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Are there any types of content that are performing better than others? Long form versus short form, for example?

It's really going to depend on your audience, where they are in the funnel and how you've nurtured them. If you're doing retargeting or matched audiences, where you're targeting audiences that have already engaged with your brand, then they will actually be more engaged with some of the longer form pieces. If you're starting a new relationship with different audiences or audience segments, then they're not as likely to engage with some of those longer form pieces.

What we're finding though, is video – a product we've recently just been in beta with and will be launching – as a content form, is 20 times more likely to be shared than any of our other forms of content, which is a really interesting insight.

We recommend with all of our clients and campaigns: test and optimise. It's not about just creating new pieces of content, but repurposing content into different forms, and then starting to AB test. Compare multiple messages or versions of your ad creative and start to understand what's going to resonate with different audiences. They say probably only about 20 percent of your content is really going to resonate in the right way; you really need to understand the make-up of that 80 percent that is not.

“It's beyond a lot of vanity metrics now.”

It's all around testing, learning and AB testing. We recommend including two to four ads in each campaign. Then with each ad, you're able to reach your audience more and can start to optimise.

Your recommended two to four ads, do they fit into your suggested plan of seven to 10 content pieces?

Yes. We say a member needs to, on average, be exposed to seven to 10 different pieces of content before they're actually going to engage and respond. To start campaigns, we look at different target audiences and then test different pieces of content against those. We're continually optimising against those and looking at long form, short form, and starting to optimise on what's going to be most effective against your different audiences.

There are not really hard and fast rules around these types of things. That's why with a lot of the work that we do, we have a lot of insight around different products. It really is different for different categories. How an HR professional may respond to content can be different to an IT professional. Again, it's about that relationship that the audience has with the brand.

With any of this, the big thing for us is looking at overall measurement of campaigns. It's beyond a lot of vanity metrics now. It's not really about click-through rates. A lot of the work that we do with our clients is really taking it to that next level. We're looking at ROI and performance, starting to understand marketing qualified leads, sales qualified leads, and even lifetime value of customers. That's where we're seeing a lot

more sophistication, which you start to then optimise into different types of content.

All of our customers have access to conversion tags, which they can place on the sites. That actually allows them to go deeper with those insights, even to understand the types of demographic, and match them back to our profiles of who's actually visiting their site, and then understanding beyond the click, and who's actually converting.

Do you have any recommendations about the type of content to use? Is there any ideal breakdown of educational, thought leadership pieces and more timely, topical ones?

The value exchange of that educational piece can take different forms. It can be a how-to, it can be a thought leadership piece, it can be an insights or trends piece. There was a big trend of clients trying to do more real-time news, but I think now what we're seeing is more and more of them looking at producing bigger pieces of evergreen content. We've been working with clients around creating some of these 'blockbuster' pieces of content, which can actually be cut up into many different types of content pieces, so that you've got a consistency of messaging. 'The Sophisticated Guide to Marketing', which we produce on a six-monthly basis, is a big rock piece of content with a lot of insights and trends, which we then cut out and use to market to our consumers every six months, in different forms, whether that's infographics, whether that's short form video pieces, whether that's more in-depth. More consistent messaging, we're finding, is more effective.

Two brands doing it right

1. IR

Software company IR provides performance management software for IT infrastructure, payment and communications ecosystems. Primarily catering to a B2B technology market, its clients come from large enterprise organisations, meaning IR had to target a small, difficult to reach audience. Leveraging LinkedIn's geotargeting filters to support the efforts of sales teams meant being able to divide campaigns by region. IR runs multiple ads per campaign, and measures the effectiveness of each, gradually turning off underperformers. Its sponsored content campaign performance accelerated after simplifying landing pages and making them mobile friendly.

2. AMERICAN EXPRESS FOR SMBs

Financial service providers struggle to engage with small- to medium-sized business (SMB) owners – identifying targets is difficult, decision-makers are time-poor, competition is fierce and there's a lack of trust in the sector. For that reason, content has to stand out and deliver value. In 2015 and 2016, American Express wanted to target SMB prospects that would be more likely to result in conversion and place content that would drive a direct response and provide quality leads. Delivering LinkedIn sponsored content, InMail and Dynamic Ads allowed American Express to maximise engagement. The 'always on' strategy of utilising different placements across the platform alongside regular measurement meant American Express was able to sustain high engagement and conversion rates and saw a 23 percent reduction in cost per lead average in 2016 compared to the same period in 2015.

The inboxing side of things. Are there clients using the inboxing tool for content amplification, or more direct messaging activities?

The response to sponsored InMail increases dramatically if they've had prior exposure to sponsored content in the feed. That is an opportunity to promote downloads of white papers in exchange for profile information. A lot of clients will actually push

out a personalised invitation to a webinar, or something like that. To then respond, you're handing over your details and it becomes a strong lead generation tool.

So can businesses retarget people that have viewed a piece of content through the LinkedIn platform?

Yes, and then also be able to retarget those that may have gone to their

“Video is 20 times more likely to be shared than any of our other forms of content.”

website, but not actually converted there. Also, retargeting and continuing to nurture them through.


You can almost create a marketing automation strategy before someone has even engaged with your content through the retargeting? You can create a whole nurture campaign for them.

Yes you can, and also what we can do is do Matched Audiences where if one of our clients has a database of their existing audiences or leads that they have in an audience from previous campaigns, we can actually match those and then start to retarget against them.

How do you implement those?

It's really about their database against ours. It's all done in a safe environment, and we don't actually get access to them, so we can just match the profiles.

Is that using third-party platforms?

Yes, and we can retarget that Matched Audience. It's about different strategies, really being able to look at nurturing audiences as they move through the funnel and the marketing funnel, and how you start to communicate with them differently and really start to target with different content. 

Trust and relationships

Don't be like Uncle Brian. **Chris Freel** has five principles for individuals and organisations to live by for trust and prosperity.



Chris Freel is
CEO of UnLtd

Trust has always been the key ingredient of every effective relationship, whether that be in business or personal life. This is nothing new; however, at this moment, it seems that the currency of trust is more under the spotlight than ever. It is also a time when all businesses are being disrupted, and collaboration and partnerships are essential for business success. We need to work together to redress the balance and get back to focusing on what is important for the greater good.

I don't know if there is one single reason why we are all talking about trust right now. It seems to me that there are many catalysts that have been building to bring things to a head – Brexit, Trump, Harvey Weinstein and #metoo, #blacklivesmatter, Cambridge Analytica and the Australian cricket team with sandpaper-gate to name a few. We can't trust politicians (nothing new there), we can't trust law enforcement, we can't trust the internet, women can't trust men, men can't trust women, we can't even trust the bloody Australian cricket team. What hope do we have?

Although it seems the world is coming to an end, I'd guess that this has always been the case and we are not experiencing these failures for the first time. Politicians have let us down on numerous occasions, harassment has been happening

forever, and Australia has always cheated at cricket*. However, the digital age that we live in has magnified these elements and we are experiencing a technological revolution that has brought trust to the forefront. I am not a world leader, or even a tech leader, but I do believe that the principles on which I have been raised and guided are key drivers of trust and could help to set the world back on course to a happier, more trusting place. So, for what it's worth, here are five principles that I have picked up over the years from mentors, good humans and my granny. Organisations and individuals who follow these will grow and prosper. I am also trying to use these to help shape my two young sons (an ongoing and, I fear, never-ending struggle).

1. DON'T CHEAT

My Uncle Brian always used to cheat at cards, it is the talk of the family. Even people who have never met Uncle Brian know not to play cards with him. His brand has been scarred for life, even though he tries to maintain his innocence. Australia, and the world, has been in turmoil recently as the national cricket team 'shamed the nation' by ball-tampering on live TV, eventually admitting it had cheated once it realised the evidence was damning. Its brand is in tatters on a local and global scale. Australians feel let down by their heroes, who brought what it is to be an Aussie into question.

The cheating incident will be remembered for causing the damage, but what makes it worse is the inconsistent behaviour of the cricket team (like Uncle Brian) over the years. We often forgive one-off incidents, but a consistent lack of humility and authenticity is hard to come back from. Brands and fans no longer want to be associated with them and this will have a lasting impact. Athletics and cycling are indicators: years after cheating scandals emerged, the stigma remains. To have trust, brands should remember to always be authentic and well-behaved.

“Politicians, corporations, whoever it was, she knew that as soon as those three words came out of their mouth, she had them.”

“We can’t trust politicians, we can’t trust law enforcement, we can’t trust the internet, women can’t trust men, we can’t even trust the bloody Australian cricket team!”

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2. HAVE FAITH IN OTHERS

If you’re too scared to go into a partnership, then you will never grow. Many organisations shy away from collaborations because of fear, a very natural fear that resolves around risk-taking. Putting faith in others is difficult; trusting them with something you’ve invested so much in does not come naturally. However, if you don’t take that leap, you will never know and will always be restricted in what you can achieve. At UnLtd we are the trusted conduit that helps to guide our charity partners into partnerships with corporate partners. We do the due diligence to ensure that these are partnerships that will work for both sides and drive win/win outcomes for all.

3. ALWAYS THINK LONG-TERM

Chasing monthly goals and targets leads to a constant churn, always-on pressure cooker environment and doesn’t allow you to see the bigger picture. In my current job, I see this with organisations that know how important a purpose-led strategy is, but don’t instil it because they get stuck in the daily grind. Those big things that may not seem the priority at the time, often are the priority. We deliberately choose our charity partners to be those that we can have a meaningful impact on, where the skills, resources and networks of our industry can be most effective in creating positive, long-lasting change.

4. DON’T TRUST ANYBODY WHO SAYS ‘TRUST ME’

While there is a need to collaborate, it must still be a measured decision. Due diligence must go into every partnership. When working for Fairfax Media, an established and esteemed journalist once told me that she knew somebody was lying as soon as they said the phrase ‘to be honest’. That was it; politicians, corporations, whoever it was, she knew that as soon as those three words came out of

their mouth, she had them. They were banged to rights and the theory never let her down. The phrase ‘trust me’ is the same. It’s worth looking out for, trust me.

5. DO THE RIGHT THING EVEN WHEN NOBODY’S WATCHING

This phrase came to life for me in a recent job. A wise person reminded me of it and helped me to refocus on what was important, put my personal ambitions to the side and do the right thing. Most of us will be able to recount times when we took a shortcut, brushed something under the carpet or bent the rules to achieve an outcome. This almost always ends up in somebody losing out, being upset or having to pick up the slack. If you avoid the temptation of what often seems to be the easy solution, you will invariably end up in a better position.

UnLtd is passionate about living by these values. Trust is our currency. We have a big picture vision that every young Australian should have the same opportunities in life and we believe that, as the media, marketing and creative community, we can collectively achieve that. For that to happen we need effective partnerships, which require a huge amount of trust. We think that if we get it right we will make the massive difference that we strive for and the world will be a better place. 

* I am an English cricket fan.



Marketing is proud to have UnLtd as a Content Partner. UnLtd brings the Australian media, marketing and advertising industry together to tackle a big issue: youth disadvantage. We urge you to visit unltd.org.au and get involved.



TRIBAL LIFE

200,000 BCE TO 6000 BCE

The need for survival superseded the desire for privacy.



EARLY CITIES

SIXTH CENTURY BCE TO FOURTH CENTURY CE

The Greeks create housing with minimum exposure to public view while making the most of available light.

Wealthy Romans build homes with open gardens – the home as a public spectacle is a display of opulence.

With their openness about sex, there was less motivation to prioritise privacy.

PRIVACY: A BRIEF HISTORY

Privacy in the Western world is – like everything else – fluid and subject to change, its definitions and expectations defined by the world around it.

ISOLATION

EARLY MIDDLE AGES:
300 TO 1200 CE

Early Christians pioneer modern concepts of privacy. Monks seclude themselves to focus on faith, free from the distractions of civilisation.



Houses consist of one room only. Families and animals live and sleep under the one roof.

FOUNDATIONS

LATE MEDIEVAL AND
EARLY RENAISSANCE
1200 TO 1600 CE



1215: the Catholic Church mandates compulsory confession for the masses. Moral governance shifts inward to a private space that excludes the community.

1440: Gutenberg's printing press sees personal reading accelerate Western individualism. Renaissance men encouraged to seek solitude to focus. Literacy remains an elite luxury for centuries.

The plague wipes out more than 100 million Europeans, prompting new approaches to hygiene, such as individual hospital beds.

Witnessing the consummation of marriages remains common.

Internal walls remain a luxury more related to the desire for warmth than for privacy.

PRIVACY IN THE HOME

PRE-INDUSTRIAL REVOLUTION

1600 TO 1840 CE

First examples of personal diaries begin to appear at the turn of the 17th century.

Citizens begin calling for the law to keep up with their desire for privacy. Examples include public disclosures around incomes and expenses.

The 1710 Post Office Act, perhaps the US's first privacy law, bans sorting through the mail by postal employees.

PRIVACY AS A RIGHT

1950 TO 2000

By the 1960s, individual telephones, rooms and homes have become the norm.



In 1974, US President Richard Nixon resigns due to his involvement in the Watergate wiretapping scandal, bugging the offices of political rivals and ordering the FBI, CIA and IRS to investigate political figures and activists.

Upon entering Presidential office in 1974, Gerald Ford addresses the individual rights of Americans to privacy and commits to pursue tough laws to prevent illegal invasions of privacy in government and private activities.



A GRAND REVERSAL?

EARLY 2000S

Consumers can purchase mobile phones and computers at affordable prices.

Led by *Big Brother* and other reality TV, a culture of surveillance as entertainment hits the mainstream.

The internet and social media become widely adopted.



THE PRESENT

PRIVACY AS CURRENCY

Citizens wilfully share details about their lives with friends on platforms with unclear privacy protections. This information is shared with third parties.

In exchange for freebies and loyalty rewards, they provide email, address and physical location details to brands, accepting the trade-off that brands will target them with ads.

LOOKING FORWARD

Will consumers continue to surrender their privacy in favour of convenience and savings?



Reference: Greg Ferenstein, 2015. 'The Birth and Death of Privacy: 3000 Years of History Told Through 46 Images', an excerpt from *The Age of Optimists: A Quantitative Glimpse of How Silicon Valley Will Transform Political Power and Everyday Life*. Found on medium.com/the-ferenstein-wire

The gold standard

Marketing speaks with Lourens Swanepoel, digital market unit lead at Avanade Australia, about the GDPR, and the four things marketers should have done about it.

The European Union's General Data Protection Regulation (GDPR) affects marketers and brands in Australia with any form of establishment within Europe or data held on EU citizens. In the lead-up to the 25 May commencement date, many analysts recommended legal counsel to ensure compliance, as organisations face fines of more than AU\$30 million for non-compliance. Proposed in January 2017 but currently with a delayed deadline, the EU's ePrivacy regulations focus on protecting the confidentiality of personal communications and data will run parallel to GDPR's focus on everyday data will also require consideration and compliance from Australian marketers. Lourens Swanepoel, digital market unit lead at Avanade Australia, speaks with *Marketing*

prior to GDPR's deadline, and says organisations that have had a strong foundation of protecting user privacy and data built-in 'by design', shouldn't be too far off compliance, and that the regulations' framework sets a solid standard for all marketers and organisations using data.

Marketing: How will the GDPR affect Australian businesses?

Lourens Swanepoel: There are quite a few perspectives for the industry. First, the fact that even though businesses operate based out of Australia, GDPR can still affect them if they do business or have entities within the EU, or if they transact, store data or hold data from EU citizens. That constitutes a big, compelling event for businesses within Australia.

From a marketing perspective, there's this 'holy grail' or nirvana of

providing personalised experiences, where we are aiming towards achieving the ability to engage with our clients in context – to deduce behaviour, or to learn something about them based on the way that they are interacting with us on our website or across whatever the channel is that they are engaging with our brand. That's the first real impact.

GDPR, and specifically the ePrivacy regulation that will be coming into force with that, will require that you or I as a consumer, as a customer, need to provide explicit content to be communicated with.

A good example is Think with Google. It's basically an insights service that you subscribe to from Google. What Google has done is provide a 'consent to enter' for you to actually explicitly select and give consent to receiving specific types of information from specific sources.



“GDPR should not be too much of a culture shock.”



The other impact would be around the concept of having a shared perspective between the marketing side of our organisations in Australia, and the more technology, risk, compliance and security aspects of them. GDPR certainly constitutes the need for those two parts of organisations in Australia to work much more closely together and look at – and, very importantly, understand – where the business is with regards to GDPR, and what the requirements are around it.

From a shared perspective, look at what needs to be addressed over and above the current way you're dealing with personally identifiable information, with customer data protection within the organisation. In other words, what is that additional functionality that you need, capabilities you have in dealing with customer data, and what's the technology needed that supports that. In a lot of instances there would be an investment required from businesses in Australia to make sure that they comply to GDPR.

“A number of organisations – in this rush to do digital, in this rush to launch experiences quickly and get them out there – may have skipped some of the foundational building blocks.”

Would you say that those you've dealt with have taken it seriously enough?

To take a step back, GDPR should not be too much of a culture shock for the organisation if you've built the foundation on customer data protection and personally identifiable information correctly. In a lot of instances, a number of businesses already have the correct building blocks in place, the foundations. They were prudent when it came to implementing measures to protect customer data. They actually took what you could call a 'privacy by design' approach in terms of building it into their organisations.

A lot of organisations are there, but I think there are also quite a number of organisations that – in this rush to do digital, in this rush to launch experiences quickly and get them out there – may have skipped some of the foundational building blocks needed to do it correctly. Those organisations will have something to address. In the local market, there's quite a large number of those organisations.

What should marketers be focusing on to respect customer data?

Before we get there, think about what we as marketers can do in our businesses. It's very important to have that business level top-down focus around GDPR compliance, understanding the implications and making sure that from the top down, the drive towards forming a shared perspective between marketing and IT is there.

Preference centres

First, what marketers can do now and what organisations can do now, is to really look at giving customers the choice in terms of the way they want to interact with our companies – the way they choose to receive information and what information they want from us. That talks to the concept of preference centres. Again, the Think with Google example, for me, was very well done. It's simple, it's intuitive, and it really gave me – as a consumer of the information, as a customer – the ability to get my preference across in terms of how I want to receive information, and what information I'm looking to receive.

Technology would play a key role in enabling that preference centre construct to be set up within an organisation. To a large extent, a lot of the investment that's been done in terms of experience management platform technologies, already has – to a large extent – got the ability to help meet that need for preference centres.

Compliance now

The second point is around planning for compliance now. This goes back to the statement I made: if the house is built on solid foundations, if from the word go, privacy was built-in by design, it'll be easier for us to get to that level where we can say 'we're compliant'. Is the propagated governance there? Are we able to understand where customer data is sitting? If we're able to classify that data according to confidential, highly confidential or public, if we've

“ We need to look at our digital tactics that we use and how we get information to our customers and to the market out there.”

got that understanding within the business, it'll be easier for us to get to that level where we can say we're compliant. Planning for that compliance proactively is key. In terms of systems, in terms of the actual marketing interface, the ability to opt in by simple things such as check boxes and language is key.

We need to look at our digital tactics that we use and how we get information to our customers and to the market out there. For example, sharing via social and media may be a more creative, less invasive way of doing that, rather than just relying on typical email channels or push notifications. The whole concept around social selling is one tactic that we could look at to stepping towards that compliance now.

The other one is around the concepts of data governance in organisations and how we treat our customer data. That marketing database, and the maintenance of the view of our customers – which customers are active, which are not, for what period they have been inactive – and really asking ‘is it relevant for my organisation to keep this data that I'm sticking with?’ is key. We need to look at really

maintaining not just the marketing database, but all the data within our organisation, properly. Again, that's a pretty foundational aspect that we need to have in place. A lot of organisations already do that. But for those that don't, it's a pretty foundational aspect that needs to be right. Again, it talks to that close working together between marketing and IT.

Invest in company-level data

The third aspect is around the platforms' technologies. Rather than leveraging and trying to do experience-based marketing based on behaviours and what we infer from behaviours and interaction happening across our digital channels, instead look at some of the data that we already have within the organisation. Looking at demographic data, or other company level data, and then using that as a basis to do at least some kind of personalisation based on the industry, or the field, or the reason why the customer is engaging with us across those channels. In other words, we need to really look at how we approach personalisation within our marketing domain.

[We should be] looking at investing in platform technologies that will enable that. We deal with a lot of the technologies around the experience management platform, content management systems, marketing automation systems on a daily basis. Again, I think there's a lot of capability already built into those platforms that could be harnessed to help reach that relevant level of compliance.

Ask yourself: what investment have I got already? Then look at unlocking that to help achieve or take the correct steps towards compliance.

Automate

The fourth one is around the marketing automation system. Again, this is where we see a bit of a gap in the local market. Like good data governance, like properly implementing data protection and protecting the personal identifiable information of our customers and employees, it's a key building block. If the marketing automation system was implemented correctly, it should help us to get much more automated access and insight into the data that we are holding around our customers. It'll make things such as understanding which customers have opted out from receiving personal communications much easier. It will enable us – from an auditing perspective – to understand what the tagging of the application is, where the data comes from and what campaign generated it. Making sure that within that marketing automation system, we capture those couple of compulsory fields coming into the system is quite key.

Then, automate the exceptions to the rules. If we see certain outliers happening, the ability to automatically raise the flag within our organisation drives further investigation. Running ad hoc reports on a regular basis to actually do pinpointed compliance checks against GDPR will also be important.

That senior business stakeholder sponsorship is absolutely key, forming the shared perspective

and then understanding where the organisation is with regards to compliance to GDPR would be the basis for these four initiatives.

Marketing: Will brands risk losing personal relationships with customers when shifting from personal data to company-level data?

It's certainly a possibility. What we're seeing is a shift towards how we establish that personal relationship. It'll challenge us towards rethinking that construct. Typically what we'll see, or what we're already starting to see happening, is that a lot of brands are striving towards higher quality contact, and making sure that the data that they have is legitimate. Very importantly there's this element of trust between the customer and the brand, and a lot of companies are starting to focus on that element of trust, making sure that's the basis for creating and growing the experience, that relationship with the customer. Looking forward, trust will be the currency in that relationship. It already is, but it's forcing a lot of organisations to really look at how we establish that trust, and what we base that on, and what information and how we gather information from our customers.

Would you recommend the GDPR as a good model for any marketers looking to use customer data more respectfully, even if they don't have dealings with EU consumers?

It will be becoming the gold standard – the benchmark that most other countries very soon will look to following. It's something that, again, if you treat an aspect such as customer data protection and

“Look at really maintaining not just the marketing database, but all the data within our organisation.”

personally addressable information correctly in your organisation – if those building blocks are in place – you're pretty close to GDPR. I don't think there should be too much of a stretch there. I do think it will become the gold standard and, from an organisational perspective, it would be prudent to build on that foundation that's already in place and aim for GDPR. Not only from a current stage perspective, but also looking more strategically. There are 500 million people in the EU; it's a huge market to look at from an Australian perspective. If you're looking to expand into the EU going forward, or providing some kind of servicing to the EU – thinking for example of software-as-a-service (SaaS) – I'd start implementing that now and future-proofing the strategy going forward.

I don't know if much consideration has been given to the role of artificial intelligence (AI) in terms of the GDPR discussion. There are a few points around that topic. It's very relevant in the Australian market. A lot of the work that we do from a digital perspective with our clients is focused on enabling data driven engagement. It's about looking at what you know about your customers, taking that historical data and combining it with the interactions that are happening across your channels. Then, based


on that, you can leverage machine learning. Machine learning is the component of AI to infer certain things. Based on what's inferred, it can be used, for example, for churn reduction, driving next best action or next best offer across your experience platforms and content management platforms in the marketing front end.

There's a real big drive in Australia in embedding that kind of capability in our marketing front end. In that work that we're doing, I don't think there are too many brands that are actually asking the question: 'If I actually embed AI into my marketing capability, what would that mean from a GDPR compliance perspective?'

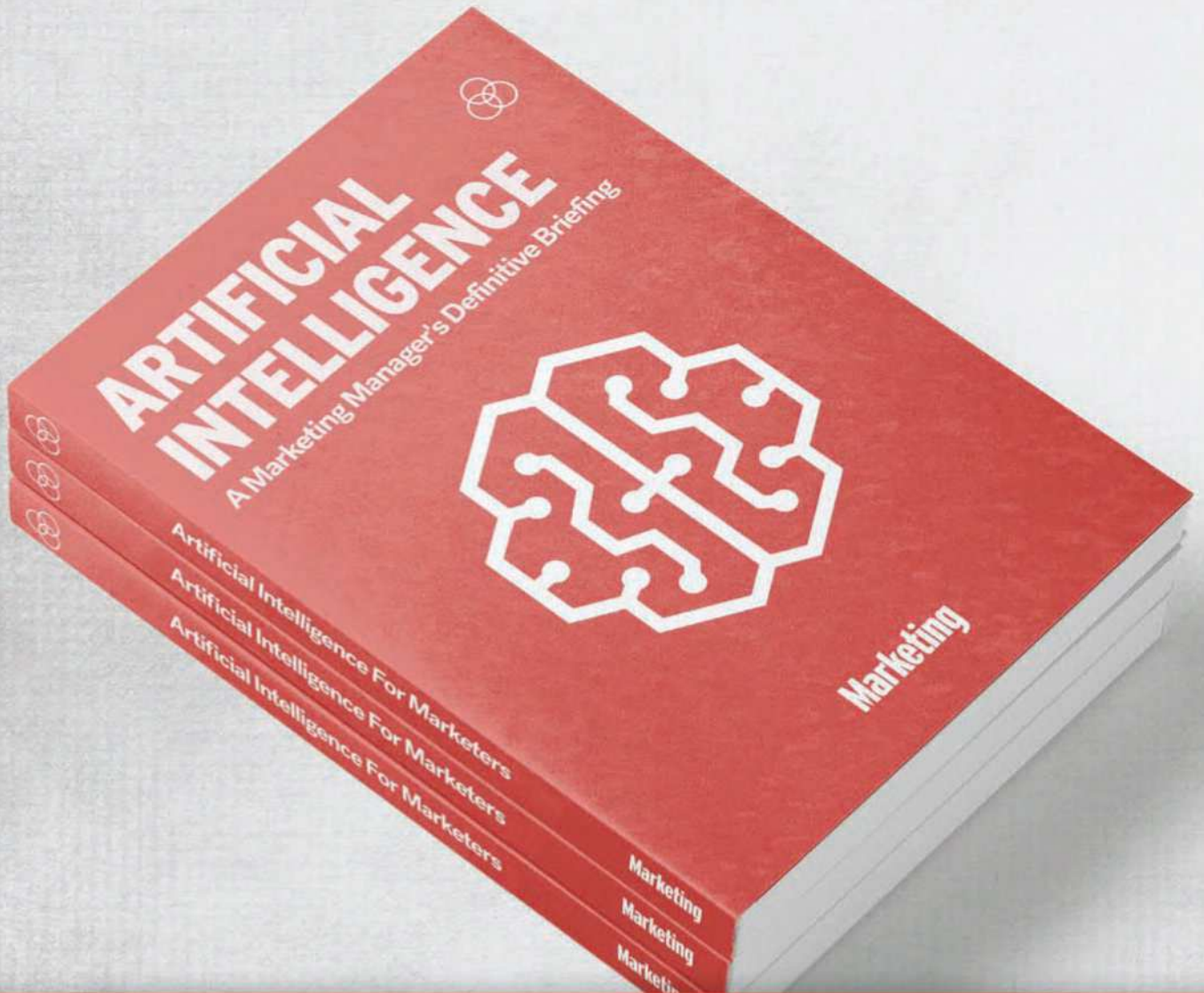
That's an aspect that certainly organisations and brands really need to heed. There's that added element of thinking about how we leverage AI as part of that interaction and create that experience for the customers of our brand.

In the ePrivacy component, for example, if someone is asking to be told what their data is being used for, interrogating an algorithm for that type of information is very difficult. This privacy by design principle is a big key factor for that – to design that in from the beginning. That's using AI in the engagement and communication process.

AI's got a huge role, and can, on the other hand, help us be compliant, and to identify areas proactively where we potentially may not be compliant against GDPR.

[We can] look at the way that banks, for example, are using it to detect fraud happening within the bank, within the financial services industry. 

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Talk like the animals

Campaign
Hello in Elephant
Client
David Sheldrick Wildlife Trust
Agency
whiteGREY Sydney

Background: David Sheldrick Wildlife Trust (DSWT) exists to save elephants from extinction. Elephant populations in Africa have been drastically reduced over the last 100 years from more than 10 million to fewer than 400,000. Populations now decrease at a projected eight percent per year. Asian elephant populations have halved in the last 100 years. DSWT needs funds to continue to save, raise and release elephants back into the wild.

The perception that poaching is being solved and therefore elephants are being saved meant donations were in decline. This campaign sought, with zero media budget, to reignite passion to save elephants by bringing to life their hidden humanity and creating awareness about the growing human conflict/habitat loss threat. On World Elephant Day, DSWT is one of 70-plus elephant conservation organisations promoting their message. The message continually pushed has been about stopping poaching and the ivory trade. A recent series of positive announcements regarding ivory culminated in China – previously

the largest legal ivory market – banning the trade in 2018. This had a knock-on effect on DSWT's fundraising. In the 2016 World Elephant Day campaign period, donations slumped 17 percent year-on-year, with the world seeming to be convinced that stopping poaching will save elephants. However, human and economic development is the terminal threat. Habitats shrink, elephants compete with local populations and subsist on shrinking resources. But poaching dominates 98 percent of the online conversation: there are over 23 million web results associated with poaching, compared to only 389,000 results associated with human-related issues.

Traditionally, more than half of all donations to charities come from over-60s. They are twice as likely to give. Research has shown that they are more likely to give based on 'purely altruistic' values. They give because they value the social good and impact done by the charity. In 2016, it was predicted they would switch their giving from conservation to humanitarian causes. We needed to reach a younger audience less known for being philanthropic.

Objectives

Reignite an urgency to save elephants in the face of false perceptions of success.

1. Increase donations and orphan elephant adoptions by 10 percent

We needed to not only stop the slide, but grow funding. Orphan elephant adoptions were DSWT's key revenue driver and also a sign of people's engagement with the organisation, and they were decreasing by seven percent.

2. Change the conversation

A new conversation about elephants beyond poaching was needed.

We had to create broad reach to focus the issue on more difficult topics in elephant conservation.

This would be measured in earned media relating to 'beyond poaching' coverage. The target for human conflict/habitat loss coverage was set at 50 percent of total media coverage.

Strategy

Two insights fed into our strategy:

1. In the fight for donations, people give to people

Humanitarian crises are reflected



hello in elephant

The Elephant Language is endangered.
Use it to save their species.

helloinelephant.com



hello in
elephant

'Good Morning'
has been translated





in charitable giving in Australia – people come first and animals last. How could elephants compete?

2. Elephants have a hidden, human-like emotional intelligence

Elephants have an emotional sophistication closely related to humans, showing humour, compassion, cooperation, self-awareness, tool-use, playfulness, excellent learning abilities and grief. They communicate via sophisticated means – including through voice. Elephants have their own language and, after decades of scientific research, we're beginning to understand it.

The big idea

Bring to life the hidden humanity in elephants to reignite urgency and empathy.

Execution:

1. Translate the elephant language into human

It could not be faked. Real elephant communication based on scientific research was needed. DSWT collaborated with renowned scientist Dr Joyce Poole, who has spent over four decades studying elephants. Elephant communication includes low-frequency infrasounds, trunk movement, touch, chemical, body postures and voices. We took Poole's research of 18 main elephant calls and mapped these genuine sounds to their English language equivalent.

2. Give people a way to speak elephant

We needed to involve people and give them a way to speak elephant and for elephant to be part of their conversations. An interactive web experience powered by Artificial Intelligence and voice recognition technology gave people a way to translate text, emoji and voice into how an elephant would communicate that emotion, expression or short phrase.

The translation was served up via an animated video with a real elephant call, which could be shared with friends.

3. Seed the idea

We placed the idea with influencers and leading conservation organisations to prime them to share the campaign.

4. Let the world say 'hello' in elephant

We launched on World Elephant Day. It's a noisy time to be talking about elephants, but this was the perfect moment to raise awareness about less publicised elephant conservation issues. An online film entitled *Hello in Elephant* introduced the idea, demonstrated the humanity of elephants through their communication and pushed people to the campaign site. The website gave people the opportunity to translate their message and speak in elephant, donate, adopt an elephant and learn about causes of population decline. Throughout the month further assets were promoted on social media.

5. Impact the future

We then added in key Swahili translations to help people living alongside African wildlife. These are the people whose livelihoods are affected by elephants, yet they are the people that must help care for elephants if the species is to be saved. *Hello in Elephant* is now also used as a learning tool via DSWT's education outreach programs. There was no paid or donated media for this campaign, its success hinged on the use of owned media including: *Hello in Elephant* website, DSWT website and DSWT social channels. A broad list of communications touch points were integral in reaching the target audience including: branded content, interactive and online channels, digital video, PR and social.

Results:

- ★ donations increased by 34 percent, and
- ★ adoptions increased by 35 percent.

Total donations during the World Elephant Day month-long campaign period were US\$334,243. Based on agency resources and production spend of US\$60,000 this represents an immediate ROI of 5.57. The 4188 people who adopted an elephant on average gave US\$59.20 and will continue to give on average for four additional years. An expected donation total for the campaign (including initial donations and funds from additional four-year sponsorships) would be US\$1,325,961 – a lifetime ROI of 22.1.

Changing the conversation

In one month, the campaign garnered 400 million impressions worth US\$6.53 million in earned media. Seventy-five percent of the coverage included the human conflict issue – a huge turnaround from the existing two percent share. It was covered in 53 countries and generated a media reach of 230 million. It brought the masked issue to the fore. The majority of media coverage – including in *National Geographic*, *Fast Company* and *Huffington Post* – covered human conflict and habitat loss.


Social impact

Social media impressions were 170 million; social views of the campaign were more than nine million.

Industry impact

Twenty of the world's leading conservation organisations – including the UN and Born Free – got involved and shared the idea.

Other impact

Funds raised allowed DSWT to continue its work saving and supporting around 100 orphaned elephants in its care. The money raised in August helped fund DSWT to save five orphaned elephants in September. 

Drink beer, save the world

Campaign
Brewtroleum
Client
DB Exportt
Agency
Colenso BBDO

Background: Beer consumption is in steep decline globally – nowhere more so than in New Zealand. Over the past decade, society’s ‘carefree fun’ perception of beer has shifted, making it harder for people to justify going for a drink. The trend towards healthier lifestyles and the lowering of drink drive limits have also contributed to New Zealanders drinking less beer than ever before. The decline in the mainstream sub category has been even greater than for the overall beer market – a big problem for DB Export and its range of mainstream beers: Gold, Dry, Citrus and 33.

Objectives: The brief: to develop a brand-focused, TV-led, campaign for DB Export that would not only halt decline, but actually drive the brand back into growth. In order to achieve that, we were set the challenging objective; to reverse the decline of the brand and propel it back into growth; to grow the total

sales of the Export family by five percent in a category declining by six percent. The objective was simply unachievable with a traditional approach, given the current state of the beer market. We needed to attract new drinkers into the mainstream category and encourage existing drinkers to favour DB Export more. We needed to think outside the bottle.

Strategy:
Laying the foundations
Mainstream beer has an image issue. In light of the explosion of craft and ‘premium’ beers that have become available, mainstream beers like DB Export simply aren’t an attractive option anymore. We needed to change people’s perceptions. To develop our strategy, we knew we needed to talk about DB Export in a unique way. So, we went back to the origins of the brand. DB Breweries was founded by a man named Morton Coutts. An ideas man, at age 15,

he was running DB Breweries and would soon invent continuous fermentation – the revolutionary brewing technique still used by Heineken today. By the time he died in 2001, he held 14 patents. Coutts believed the best think tank in the world was a bunch of mates drinking beer, but he also understood that a great beer idea was worthless until it was done.

Understanding the core audience
Our core audience, men aged 25 to 34 years old, are the biggest beer consumers both in New Zealand and worldwide. This demographic is often painted as self-centred and prone to moments of stupidity and short sightedness. But research into the core target market unearthed some more noble traits than the usual clichés suggest. We found that these men share some similar beliefs, both with each other and with Morton Coutts himself. They want to make a difference. To make their mark on the world. They are more invested in their environment





75 CASE STUDY

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than they are given credit for. But we couldn't be a brand that just said interesting things. We needed to be a brand that followed through. We developed a new purpose: 'DB Export. Made by Doing.'

Made By Doing was inspired by a Conscious Capitalism Approach (CCA). This is a behavioural economics approach with a triple bottom line model – people, planet, profit. But Made by Doing is more than just a CCA approach; it's a way to drive business results by doing good in the world through action. With our new purpose, we knew we needed to be careful about appearing too worthy. After all, we're still a beer brand. This led to the development of a simple, yet bold, call to action – drink DB Export and save the entire world. This thought created a fun permissibility around beer drinking. It allowed NZ men to feel good about themselves for choosing DB.

Execution: We created DB Export Brewtroleum, a biofuel made from the yeast left over after we finished brewing beer. Not quite a TV ad... At the end of the brewing process, ethanol is left in the yeast slurry. We extracted this high-grade ethanol and blended it with 98 Octane petroleum to make a clean burning and sustainable biofuel that could power any petrol car. Our supply relied entirely on Kiwis drinking our beer. The more beer they drank, the more environmentally friendly biofuel was produced and the better off the planet would be. We partnered with New Zealand's leading biofuels retailer, Gull, and launched with our hero site – a

completely rebranded Gull petrol station in the middle of Auckland, New Zealand's largest city.

Promoting this location with radio partnerships, we experienced kilometre-long queues down the street on our first day. But this wasn't just a single site PR stunt. DB Export Brewtroleum rolled out to every single Gull petrol station across New Zealand – turning all of their forecourts into ambient advertising for us – with a through the line campaign (TV, social, digital, outdoor, sampling and even a fully branded petrol tanker that travelled the country) supporting it and calling on men to drink more DB Export.


At the heart of our campaign was a great idea – turning a waste by-product of brewing into biofuel. But that alone would be no good if men all over the country didn't get to see it for themselves. A paid, owned and earned media approach was employed, working to get men talking about our brand and giving them an excuse to drink more beer by getting actively involved in our 'save the world' movement.

Results: Save the world by drinking beer was all the permission drinkers needed to drink more DB Export. The campaign not only exceeded sales and brand objectives, but the way the idea was embraced and celebrated exceeded both the agency's and the client's expectations.

Our first two batches of Brewtroleum turned 116,000 tonnes of yeast slurry, from the DB Export brewing process, into 330,000 litres of Brewtroleum

and prevented 75,000 kilograms of carbon from entering the atmosphere, meeting one of Heineken Global's most important areas for improved sustainability: reducing carbon dioxide emissions. DB Export Brewtroleum changed the perception of drinking beer from a selfish indulgence into a selfless act of environmental heroism. Brewtroleum surpassed sales targets. During the campaign for Brewtroleum, DB Export family sales rose by 11 percent compared to the same period the previous year. This 11 percent growth equated to \$3,930,817 of incremental revenue across the second half of 2015, and DB Export maintained sales at this level in 2016 – evidence that the effect of the Brewtroleum campaign has been strong and sustained.

Brewtroleum didn't just resonate with beer drinkers; it was an environmental initiative that was embraced by the entire DB business. With the production process mastered, it has become instantly scalable. With the infrastructure in place at the brewery, the production of Brewtroleum continued after the initial advertising component of the campaign finished. A second batch of Brewtroleum was completed in May 2016, a third batch at the end of 2017, and a fourth batch is en route.

Brewtroleum successfully launched DB Export's platform 'Made By Doing,' but, more importantly, it provided credibility for DB Export to continue looking for innovative ways the business can have a positive and sustained impact on the environment. 



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Why transparency is falling down

Mark Henning addresses how to get to 'marketing nirvana', where transforming more actionable insights for better, more effective marketing is the norm.



Mark Henning is executive director of media and digital at Kantar Millward Brown.

Marketers the world over are diversifying their media allocation across more channels and touch points to keep pace with the connected consumer. But where is the industry at the moment with trust in data sources and transparency with partners? How much confidence do marketers have in reaching the right audience, engaging the right consumers at the right time and measuring success across media types, platforms and devices? From the latest 'Getting Media Right' report from Kantar Millward Brown, we interviewed marketers spanning brands, media companies and agencies and found that measuring digital activity was understandably a key issue for many, but the ability to understand cross-channel ROI was the core stumbling block holding them back.

MIND THE REALITY GAP

Overall, the findings reveal the industry at a crossroads. On the one hand, there's considerable aspiration to move towards integrated marketing cross-channel and cross-device. Achieving the perfect media mix would serve as the gold standard for all future spend. On the other hand, the industry is still horribly crippled by measurement gaps and inconsistent currencies. Marketers are increasingly challenged to have a holistic understanding of the effectiveness of their advertising and media, yet a whopping 81 percent say they struggle to assess brand performance across platforms and devices. This reflects a huge gap between aspiration and reality. And, sadly, if marketers had a greater ability to track ROI, more

than 75 percent report they would increase spend in cross-channel and the individual channels (mobile, online advertising, TV and other traditional channels) that fuel it. So what's causing the lack of trust and transparency across advertisers, agencies and media companies and how do we overcome it?

INTEGRATED ROI: MISGUIDED AND SHORTSIGHTED

The industry is still searching for an integrated approach to ROI measurement. Despite the backlash against 'walled gardens' and other digital data 'islands', it's the lack of trackability on TV and other traditional channels that impedes marketers' cross-channel aspirations. While it's been a long-held belief that TV provides

ROI, these days just over 50 percent of marketers report they are able to measure ROI on TV and just 50 percent say they can do so across channels.

This means the other 50 percent can't effectively measure these channels, and additionally 54 percent report they can't measure other traditional channels. This demonstrates the need to challenge all channels – digital and traditional – as there's still room for improvement. Understanding the true value of individual channels and their impact across integrated campaigns is critical.

Another issue is that too often the ROI metrics available from third parties in the short-term are shortsighted. Now marketers are questioning their brand position in the market and struggle to develop a consistent methodology that effectively measures brand impact over time. It's time to close these gaps in measurement and seek out a more comprehensive view of integrated ROI. This will result in more confident and steady investment on your platforms and channels.

THE NEED TO CHALLENGE DATA SOURCES

Today's world is data driven, compelling marketers to embrace and master data that will help to inform media investment. There are seemingly endless sources of data now available: in-house data, third-party data, agency data, data from publishers, data management platform (DMP) and demand-side platform (DSP) data. While 'too

“While ‘too much data’ may seem like a good problem to have, it becomes another variable that marketers must weigh and evaluate, particularly because of varying levels of trust in the data.”

much data' may seem like a good problem to have, it becomes another variable that marketers must weigh and evaluate, particularly because of varying levels of trust in the data. Trust of data varies from 35 percent (media companies' trust in DMP and DSP data) to 79 percent (advertisers' trust in proprietary data from their insights or data science teams). Although advertisers, agencies and media companies are aligned in their trust of in-house or third-party data, confidence varies for other data sources. Consequently, marketers need to consider both the type and source of data on which they rely.


BRING BACK HUMAN INSIGHT

Even with the overwhelming amount of data available, almost no one thinks we need more automation to make sense of it. Despite advanced ways of using this data to power campaigns such as programmatic marketing and segmentation, 81 percent of marketers in the report claimed

that they needed more 'human insights' to help them navigate the data available to them and make informed decisions. But who do marketers turn to for direction?

Our research demonstrates that there's considerable desire to work with reputable independent partners in this space, and trust is a key factor for marketers choosing a data provider. But with so much uncertainty, they are cautiously opting to work with partners they have worked with before. In identifying these trusted partners, they need to be able to provide the human insight and interpretation of metrics to help marketers navigate the data out there, so that they can make better decisions about where to invest their budget.

BANDING TOGETHER

In an age of media diversification, it's clear that marketers cannot get media right alone. We need to address these issues head on and work together to develop standards and accountability. The goal is to reach 'marketing nirvana' where measurement across channels and devices is transparent and honest. It's incumbent on us as marketers to take the wealth of data available to us and transform it into better, more actionable insights for better, more effective marketing. 

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How far are your customers willing to trust machines?

Alistair Leathwood on the expectations of the most sceptical audience in the Asia-Pacific region: Australians.



Alistair Leathwood
is executive director at
Kantar TNS.

From fake news to connected devices, chatbots and more, technology is reshaping the way we live, interact and shop – but it's also making many Australians uncomfortable. More than half (54 percent) of Australians object to their activities being monitored by a connected device – even if it makes their lives easier.

We're also more sceptical than the rest of the world (41 percent) when it comes to recognising the benefits of new technologies – we're more skewed to see the risks – and we're concerned about the amount of personal data that companies know about us. As Kantar TNS's '2018 Connected Life' study found, it's something that marketers must address to ensure their brands build and maintain trust in this rapidly evolving digital world.

ONE QUARTER OF AUSTRALIANS ARE USING AN AD-BLOCKER – WAY OVER THE GLOBAL AVERAGE

Connectivity has changed our lives fundamentally in a relatively short period of time as more and more activity moves online; but Aussie consumers are becoming increasingly aware of how much personal data they are sharing with brands as a result of these online activities – and are growing wary of how it is being used. Convenience is not a panacea either. And don't think the Australian Government is exempt. Almost half of us (47 percent) do not have confidence that the Government uses its data to provide us with better services; and 51 percent think most information on social media is unreliable. While we may be

more cynical, as this is much higher than the global average, people particularly worry about fake news. Despite all the hype about 'emotional targeting' for brands, 47 percent of us also feel that brand content on social media is not relevant. Marketers must take these cues to take a selfie of their own strategies if they want to truly connect with integrity.

UNDERSTANDING WHAT YOUR TARGET IS LOOKING FOR IN A SOCIAL NETWORK IS THE KEY TO CONNECTING WITH THEM

For Aussies, the driving emotional connection to social networks (as a whole across the category) is that these platforms are 'entertaining', 'cool', 'for connecting with family and friends', 'for sharing moments

when they happen' and are 'funny and light-hearted'. However, our emotional connection dives with social as a platform for 'finding out about new products and services', 'helping me make decisions', 'customer service' or for 'buying or selling goods or services'.

AS TECH CONTINUES TO EVOLVE, CONNECTIVITY IS CHANGING THE WHOLE STRUCTURE OF THE CUSTOMER JOURNEY

The type of experience desired by your target depends on their level of trust in new technologies. For example, just 18 percent of Australians prefer to pay for everything via mobile (compared to a 39 percent global average), so understanding how open they are to frictionless shopping technologies is key to optimising their shopping experience. Almost a quarter (22 percent) of us have no issue with using an automated chatbot for customer service, but you must understand the moments in which bots are – or are not – appropriate. And 29 percent of Australians say they are open to online-only


“Almost a quarter of us have no issue with using an automated chatbot for customer service, but you must understand the moments in which bots are – or are not – appropriate.”

customer service models – so understanding what your customers expect from your service, in which moments and on which channels, is key.

CONNECTED DEVICES WILL CONTINUE TO CHANGE THE WAY WE BEHAVE AND THINK – IS YOUR AUDIENCE READY?

The level of trust (or distrust) in the machine is a key tension to have in mind when understanding the rate of adoption of new technologies among your target audience, and what that means for the services you offer them. Also, understanding

those emotional connections and features that your target seeks in their social networks will help shape the strategies your brands need to align to the kind of content or service offering that will resonate the most with them.

The implication is that in a space as personal and curated as social media, the customer needs must come first. This means adapting your strategy for each medium, embracing a moments-based approach, and having two-way conversations that benefit your customers. With bad news spreading more quickly than ever before, it is the brands that prove they can be trusted with consumer data that will be best placed to thrive in the connected future. Are you doing enough to make your customers feel it's a fair exchange? 

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Breaking out of the binary

Code is the language of the future, but [Kristi Mansfield](#) says education around technology and coding should be just as much about people and communication as about zeros and ones.



Kristi Mansfield is the director of customer experience, innovation and data strategy at Oracle.

As parents, we're constantly trying to find ways to prepare our children for the future. We all ask ourselves what tools and acumen our children will need and what work will look like in 20 years' time. In the face of this uncertainty, it can be hard to know how to equip the next generation with the skills for success. No matter what the future looks like, one thing is certain: technology is only going to become a more integral force in our lives, both personally and professionally. The safest bet for future-proofing our children is to teach them the true language of the future: coding.

HOW USEFUL IS LEARNING A CODING LANGUAGE?

In a 2018 study, 'Rebooting Jobs', Oracle Academy teamed with analytics firm Burning Glass Technologies to examine nearly 100 million unique job postings

collected in the US between 2015 and 2016. Based on its findings, computer science skills represented 65 percent of the fastest growing skills, as well as 62 percent of the high-paying skills. Interestingly, the study also demonstrated that computer science skills go beyond the traditional programming roles and are increasingly desired in industries like marketing and design. In fact, 82 percent of job postings seeking computer science skills did not require a computer science degree. The Australian Government's 'Industry Employment Predictions 2017' report shows a similar trend evident in the local market, with jobs

“This growth could be exciting or frightening, depending on your point of view.”

growth in professional, scientific and technical services projected to increase by 12.5 percent over the five years to May 2022 – the second largest increase of any industry sector. Within that, jobs growth in the computer system design and related services sector is projected to grow by 24.6 percent, after having grown by 83.9 percent over the past 10 years.

This growth could be exciting or frightening, depending on your point of view. We've all seen the headlines about automation and machine learning changing the nature of work. Tech and coding are just as much about people and communication as they are about zeros and ones.

My own three children all code, each of them starting early on basic coding skills and using their skills to do different things. Learning coding hasn't just given them an idea of what they can do in the

future. It's also provided them with opportunities to be creative, make mistakes and develop problem-solving thinking that will serve them well even if they never work in the tech industry.


Increasingly, top employers are looking for workers who have skills that cross the divide of tech and humanities. We've added arts to the importance of STEM (science, technology, engineering and maths) and have moved to STEAM. Stanford University is halfway through a six-year trial of 'CS+X', that is, blending computer science with other disciplines to make information and communications study more 'palatable' and graduates more employable as we enter the era of automation and robotics. As many as 50 percent of Stanford graduates are doing a CS+X double degree, and Australian universities have followed suit; Australian National

“Instead of seeing our kids as being ‘artistic’ or ‘techy’, we need to provide them with a well-rounded education that marries both sides of the coin.”

University states its flexible double degrees make up more than 40 percent of all courses studied.

As coding and data science becomes more important, so too will the interpretation and translation of the data and tech across all fields of industry. Instead of seeing our kids as being 'artistic' or 'techy', we need to provide them with a well-rounded education that marries both sides of the coin; strengthening creative thinking, communication skills, entrepreneurship and technological know-how.

We are already seeing this come to life. For example, the South Australian State Government recently promised to invest almost \$7 million in training teachers to code, a skill they will take back to the classroom to teach, along with entrepreneurship, to their students.

As industries from finance to media to healthcare all now are impacted by disruption, it's clear to me that having an understanding of what's going on 'under the hood' of your programs and applications is a language that most successful children will want to speak. 



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Tech and the future of physical retail – a view from SXSW

Retail marketing was a hot topic of discussion at SXSW. Rob Currie was in attendance, and has examples of how tech can save bricks and mortar retail.



Rob Currie is chief business director at WPP AUNZ.

There has been much discussion of the future of physical retail. Can it survive and thrive with the threat of ecommerce? Are we to see the death of bricks and mortar retail trading in the near future as online purchasing becomes the norm? The debate has raged across multiple platforms – and South by Southwest (SXSW) in March was no exception.

But instead of adding to the debate of one versus the other, it's important to recognise that the two can work together, with mutual benefit.

First, some facts from Emily Wengert, group VP, user experience at Huge, and a spokesperson from PSFK who both spoke to the topic at SXSW. The message was clear: we are a way off any 'retail apocalypse'. They pointed to the fact that only 10 percent of retail sales in the world

“The message was clear: we are a way off any ‘retail apocalypse’.”

are online and physical retail sales in the US continue to grow (although department stores clearly are having challenges). Also discussed was a McKinsey report on China, a huge ecommerce market, which notes that “the appeal of ‘retailtainment’ has only increased in recent years. In fact, two-thirds of consumers say that shopping with family is the best way to spend time with them,” – an increase of 21 percent from one year ago.

On the flip side, BigCommerce's 'Omni-Channel Retail Study' research shows that 96 percent of Americans now do part of their shopping online.

SO WHAT IS REALLY GOING ON HERE?

It seems that there's still a place for real physical retail – but perhaps not the retail that we have known in the past. This was best summed up at SXSW by Wengert, who predicts that “retail is not dead but boring retail is dead”.

In other words, physical retail needs to better embrace the key themes of blended technology and a branded experience in order to survive and thrive.

For marketers in retail, or with a product reliant on physical retail as a channel, what does this all mean?

Let's talk tech first. We have all seen poorly integrated tech in retail. It either doesn't work well within a physical environment, or it's an iPad-based product listing in-store instead of actual product in-store, or the content is about the brand

and not helping the customer. Tech needs to support what is great about physical retail.

HERE ARE A FEW EXAMPLES TO MAKE THE POINT

In the UK-based retailer Mamas & Papas, your child is matched to an animal character based on their weight, which then matches to the car seat size.


An Italian supermarket can detect what fresh food you touch and then gives you information on the origins of the product. Another retailer can recognise what you take into the change room and suggest other matching products. The contactless and autonomous store is coming too, Amazon and BingoBox being at the forefront of experimentation via facial recognition and phone scanning to enter.

DESIGN TO DELIGHT

The other area where the physical store can make a difference is design thinking to delight the shopper. The brief for your teams is to make the shopping experience memorable, unexpected and personalised. The museum of ice-cream in Japan includes life-sized replicas of its ice-cream cones – selfie heaven for customers. A fashion retailer helps you decide what bag to buy by providing everyday items you can put in it to test it out. Think about education and confidence building also – Apple is turning stores into workshop zones where you can skill up on new products, and Lowe's, the US hardware chain, is experimenting with VR demos of what your renovation may look like to help inspire you.

So the view from SXSW was this: the future of physical retail is not

“Let’s talk tech first. We have all seen poorly integrated tech in retail.”

an argument of bricks and mortar versus online, it’s about providing your customers with a personalised or delightfully surprising brand experience that a more transactional online purchase will never match. It will be these experiences that will see the sector not just survive, but thrive. 

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Running the orange light

Recent world events have shone a light on personal data use by brands, political parties and media platforms. If they want their brands to succeed, marketers must strike a fine balance, writes [Tyler Greer](#).



Tyler Greer is director of global sales strategy at Exponential.

To be frank, it's all Trump's fault. For years now, most of us have been happily posting, searching, WhatsApping away, comfortable in the knowledge that the price paid for semi-meaningful connections and time-saving convenience is nothing but some so-called data. And then all of a sudden we have The Donald. And Cambridge Analytica. And Zuckerberg fronting a US Senate inquiry. And what a few short months ago seemed the harmless cost of living in the 21st century, today looks like a Faustian bargain.

The election of Donald Trump has done a lot of things to the world over the past 12 months or so, but for many it has been the looking glass through which we view digital media and its reliance on data collection anew. For those of us working in the industry, none of this comes as revelation. But for the

rest of the world, the idea that data collected on the platform on which they share much of their personal lives with friends and connections may have been integral to the election of Trump is unbearable. Targeted ads using our name is one thing; democracy is another.

"Things," according to [Ernest] Hemingway when describing bankruptcy, "happen slowly, and then all at once." Indeed, calamities can seem to move incrementally before the sudden onrush when it all seems to fall apart swiftly. Digital media, which has been running a simultaneous charter of ever-finer reporting and insight coupled with often nefarious data collection and usage, seems right now to be in a crisis that has been years in the making. It's about trust, and how quickly it can erode.

It's not news that trust has taken a battering across the industry; it's been well-covered. But it's worth pausing for a moment to again call out the areas in which it has declined, because it is systemic, and at the heart of it sits digital. The declining relationship between agencies and brands has to some degree been overplayed, and there are still fruitful and longstanding agency-client relationships that will endure. But the sheer amount of pitching in the market illustrates how tenuous many of these partnerships are. Trading desks, while acting to reduce the clutter of vendors and give agencies more control over campaign optimisation, have developed reputations for opaque practices. P&G's response to this has also been well-covered. Technology increasingly allows brand marketing teams to cut digital ties with agencies and bring performance marketing in-house, in this way

controlling their own data and freeing themselves of service fees.

But the other end of the advertising spectrum should be the most concerning. The consumer awakening around the use of their data seems to be peaking. For some it is the apparent incursion by brands and services into what they regard as their private space, but for most it is simply about irritating ads. Data has provided marketers with many interesting and beneficial things, but it finds its most annoying expression in the form of retargeting, and if there is anything that is ultimately going to bring down the digital house, it's this.


Current retargeting, or remarketing, to give its more sophisticated moniker, operates like this: I visit a site and look at some

percent, the non-respondents. While the argument goes that consumers prefer targeted advertising because it appears curated to their lifestyle and needs, the truth is most find this to be little more than creepy harassment. Again, it wears away at trust in the medium.

Marc Pritchard of P&G is right to demand that the digital industry get its house in order and duly suspend his budgets until this has been done, but brands bear much of the same responsibility. Large brands, used to operating in a media buying environment that values reach and share of voice above all are frequently the force driving publishers to find ever more impressions to serve. It undercuts a basic truth of the digital environment, namely that the user is in control. We, us, the

images of previously looked-at products. It means control – the ability for the user to decide whether they are interested in content, and to be provided with the tools to explore that story and those assets within an ad unit itself. JWT's Control Shift report confirmed this approach. In its research, it found that “89 percent of consumers agreed that control was important to them”, and that they were “seeking brands that offered content and the ability to control their experience within it”.

If all of this seems unrelated to trust, it shouldn't. The ways in which advertising expresses itself across the digital media are pivotal to the relationships users hold with platforms, brands and the medium itself. Advertising that is relentlessly thrust upon us not only seems creepy but can give rise to conspiracies like Facebook activating our phones' microphone to listen in on our conversations. Whether Facebook needs to answer for the acts of Cambridge Analytica and the like in some ways depends on your view of the platform itself, and whether you think it has a responsibility to protect its users from each other and the nefarious actions of propaganda machines.

Facebook will survive for a few years yet. But the damage that it and others in digital media have wrought is starting to impact the view of the medium within the industry and among its user base. But perhaps the real issue raised for those of us in the industry is more subtle: how do we strike a balance between respecting people's belief that their curated online universe is private and personal, with the evidence – as illustrated by the Trump victory – that data-driven marketing, well... works? 

“ For some it is the apparent incursion by brands and services into what they regard as their private space, but for most it is simply about irritating ads. ”

shoes; I am then pursued across the internet relentlessly for weeks by banner ads offering me the very same shoes I either bought or declined to purchase. Frequently, it will include my name and, if the algorithm is really sophisticated, a pair of socks too. While many is the case study demonstrating that effective retargeting will provide brands with the lowest CPA (cost per acquisition) of any digital practice, what is not so clear is the brand damage done across the 99

people, increasingly control what we consume and when, how and on which device. Advertising, still anchored to the 20th century model of interruptive reach, fails to design creative campaigns that reflect this truth. Buying models around engagement and action can overcome this; units designed to be launched by the user can also help establish the true audience.

The digital media market should consider that personalisation does not mean retargeting with

Behind the sliding doors



Bec Brideson is a gender-intelligence entrepreneur driving innovation and exponential growth for business and brands with an overlooked market opportunity. Her foresight and new lens on business has seen her become a much sought after speaker and consultant worldwide.

Rigid gender codes and tired leadership stereotypes affect us all, says **Bec Brideson**. Trust will only come to those that recognise the meaning of this moment of truth.

There is a serious whiff of mistrust in Australia's brisk winter air. From Malcolm Turnbull's 30th Newspoll loss, to cricket's ball tampering fiasco, to the Royal Commission into misconduct by the big banks. Silver lining: this isn't just an Oz problem. Global trust is at an all-time level of stagnancy. Edelman's 2018 Trust Barometer reports that our global trust index remains low, with 72 percent of markets distrusting their country's institutions. For businesses, the Barometer advises that building trust should be the number one priority, but how can CEOs do just that in a world of #fakenews and mounting consumer cynicism? John Gerzema and Michael D'Antonio, authors of *The Athena Doctrine: How Women (and the Men Who Think Like Them) Will Rule the Future*, conducted a global study in 2011 of the populations of the nations that represent 65 percent of the world's GDP. The study prioritised a wide range of diversity: cultural, geographical, religious, political and economic.

The results were:

- ☀ 86 percent agreed there is too much power in the hands of large corporations and institutions
- ☀ 76 percent do not think that their country cares as much about its citizens as it did previously, and
- ☀ 51 percent do not think life will be better for future generations.

Half of the participants were then asked to categorise certain traits by gender: are they masculine, feminine or neutral? The other half (who had no knowledge of the masculine, feminine or neutral cataloguing) were asked to cherry-pick the qualities that they most favour around concepts of leadership, success, morality and happiness. The results were surprising. The identified monikers of feminine were among the top qualities that the majority of participants across the two groups perceived as attributes that bring about better leaders, beget success and deliver happiness. These attributes included expression, reason, loyalty, flexibility, patience, intuitiveness, passion, empathy, selflessness and collaboration. The

2018 Barometer agrees – 60 percent of participants agree that leaders who are driven by a desire to make a positive difference in the world are more greatly trusted than those who are purely driven by share price. Traditional masculine stereotypes of leadership seem to hold less weight in defining successful leadership. Both men and women have become more frustrated in a world dominated by rigid gender codes that enforce traditional thinking as the dominant status quo. In fact, in a 2018 US study led by The Female Quotient, more than half of both male and female respondents would prefer to work at a female-led company than a male-led one, and that, when seeing a female leader, they are more confident in seeing themselves lead. Confidence in the capability of old structures to deliver on modern demands is failing. The centuries-old 'command and control' programming that built the foundations of our business, political, social

and sporting codes is no longer compatible with the manner in which the majority are functioning or living today. Commercially speaking, it is potentially costing businesses billions in unrealised revenue, and it is also depriving consumers of something much more valuable: trust.

The female factor

Our concepts of who and what makes a trustworthy leader are not the only things changing. So too are the power dynamics within our consumer bases. With women estimated to be worth US\$28 trillion and their growing influence as the majority decision-maker in the household, design and delivery based on the needs of modern women is going to be vital for businesses to thrive in the forthcoming female economy. Yet brand trust has been eroding for a long time when it comes to women. A recent US national study from a collaboration between SheSpeaks and Womenkind discovered that 80 percent of women don't trust advertising, and 61 percent believe that brands never live up to their promises. This is a moment of truth for leaders to understand the impact of gender in their business, which should also incentivise them to conduct a review of their relationship with their female consumers – the ones who are choosing to buy or reject you from their hearts and households. Future trends expert Faith Popcorn asserts that “women don't buy brands, they join them”.

For a woman, a relationship with a brand is extremely personal. She buys into you as soon as she drops your product into her trolley: your mission, your values and your behaviour. Whether it's designer handbags or canned soup, she is

welcoming you into her home and expressing herself via an extension of you. In you, she trusts. This sense of trust and its benefits is not limited to women. The US's foremost couples researcher Dr John Gottman asserts that people in relationships want trust even more than attraction. He also maintains that trust is vital to building communities, neighbourhoods, states and countries. The importance and relevance of this for brands is enormous. I use modern dating in explaining women's connection and trust with brands. There are those that we ignore and #swipeleft – not even noticing them on our radar, denying them space in our hearts and daily mental checklists. Next up the rung are those we tolerate, because of choice fatigue, we settle:

“ I use modern dating in explaining women's connection and trust with brands. ”

many women #swiperight with banks, utilities, supermarkets and insurance companies because there aren't many options or there are too many in their time-constrained lives. Women will settle for right-for-right-now, but as female-driven disruption has proven – her loyalty will only last until the better brand suitor shows up. When a brand commits to a serious relationship with women, it can expect the

relationship to develop more deeply from flirting, dating and eventually leading to a marriage. In order to engage this kind of long-term commitment, it must speak her language, listen, be dependable and demonstrate her needs are central to its actions for the relationship to become symbiotic and fruitful. Gottman talks about building trust in 'sliding door' moments: small interactions in which a brand can either turn to or away from their 'partner'. For supermarkets, your stairway to success is in elevating and seamlessly integrating her digital and in-store shopping experience – not indulging in a price war with your competitors.

A recent 'sliding doors' moment that led to me purchasing a car was a female after-sales team member noticing and empathising with my frustration at being ignored and talked down to by her male sales colleagues. There are other simple ways to build trust with the \$28 trillion female consumer. The SheSpeaks and Womenkind report details five easy steps: living up to promises, great customer service, quality ingredients, treating employees well and transparency. For me, the magic happens when it becomes all about a centralisation of the female consumer and her needs with your business model. That's the sweet spot. A recent Forrester report called 2018 the year of reckoning for brands when it comes to loyalty. Engaging in an unquestioning, proactive and caring relationship with women will guarantee you ROI and retention that far outweighs the cost of acquisition of new players. Ascribing these nuances to the way a business thinks about its audience is ultimately going to be the difference in building and recapturing trust with the world's fastest growing market. **M**

The great reversal

Smart brand stewards should get used to a new power dynamic right now, writes [Steve Sammartino](#).

For a large part of the past 100 years, the biggest brands in the world were all pervasive, out to be seen everywhere – mass produced cars, flagship fast food joints and sugar in a can. They were things we could touch, hold, understand and experience at a level where we knew the inputs and outputs. While imperfect, they iterated what they made and built trust over time through responding to consumer demands. The market created a collective understanding of what was acceptable behaviour.

Over the last two decades, a new cadre of dominant brands emerged. Digital denizens, these brand heroes became the world's most valuable corporations. What they offered had such incredible utility, very few of us stopped to ask the questions about what the ingredients were, or what came out of their exhaust pipes. Probably because we couldn't see or understand it. In the same period, our perceptions of the new tech giants moved from pure admiration, to absolute suspicion. Virtual monopolists, with walled gardens we can't escape, businesses where opting out isn't an economic option – if brands are built on trust, then Houston, we have a problem.

You've probably noticed that over time people flow into and out of your life. We meet people at school, university, work, sporting

clubs, even our local café. People and institutions we rely on form a social fabric that sews together our ability to depend on one another. While there's rarely an intention to drop someone from our lives, those with whom we are close and have good intentions to keep in touch with eventually fall away. Once we leave that company, graduate from university, quit that sport and move out of that suburb, the people we connected with seem to evaporate. Even with those that we try to maintain a relationship, reality often wins out. There's actually some science behind it. Social researcher Robin Dunbar contended that we can't have meaningful relationships with more than about 150 people at any one time in our lives. This became known as Dunbar's number, and his research suggested that there's an actual cognitive limit to the number of stable relationships we can maintain. There is a link between the size of the neocortex and its processing capacity, which in turn limits the size of our functional groups. It's an evolutionary design that, in short, only kept alive those with a healthy suspicion of strangers. After industrialisation, brands helped us get beyond the human restrictions of Dunbar's number. We once knew the reputations of local traders, but as business industrialised and spread geographically, we needed proxies for trust, trust that could



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not be established personally or locally. Brands became that proxy. Trust doesn't scale without rules and consequences for those who break them. As our economy grew beyond where our relationships could stretch, we built a set of terms and conditions that consumers understood, enforced by government and embraced by brands. Regulations became a quasi incentive scheme for corporations to play by the rules.

“ If brands are built on trust, then Houston, we have a problem. ”

Rules we configured to create a fair marketplace for humans and corporations worked so well in the industrial phase that we forgot that this stuff isn't designed by corporations, but by us, and a government serving us.


In a physical world it is obvious when trust is abused – unregulated food, transport, energy and finance have consequences we find swiftly and regulate to avoid future problems. The regulation itself becomes a fulcrum for brands to build trust. But now we've got a problem, because those governing don't understand the new tools, let alone the breadth of their economic and social externalities. It's hard to set up rules to protect society against things no one can see. Functional capitalism requires more regulation than the average libertarian will have us believe. Look at any sporting code

and we'll see how the rules facilitate competition and opportunity. Rules even invent new roles (read revenue) on and off field within sporting ecosystems. The same can be said for thoughtful regulation. Workplace health and safety – as a rudimentary example – requires humane working hours, reconfigured workplaces, safeguards on machines and all manner of systems that make work not only safer, but often more efficient and profitable.

Unfortunately, the greatest wealth event in human history (the internet), has resulted in a serious concentration of new wealth. The same people have little incentive for a more transparent, open and regulated marketplace as that would only reduce barriers to entry and increase competition. What should be our most trusted non-human relationships, the intermediaries and big tech companies we transact through, put simply, can't be trusted. It turns out we need a new layer to bypass both Dunbar's number and lagging regulation to rebuild trust.

Luckily, markets are wonderful things. They tend to coalesce with technology to find solutions when we fail to design them ourselves. Right now, we are at the early stages of such a phase, which will become the 'Blockchain Era'. While blockchain technology won't bring world peace and solve every other global issue we face, it certainly is the missing piece to the internet we always dreamed of. One where we deal with and trust each other on a global scale. If the internet can ever become a truly democratised technology, a peer-to-peer marketplace where we all have an equal chance of benefiting from its power, then we can't have centralised forces seeking economic rents through data

control. In a great reversal, our data will become copyrighted content we control and rent to corporations. For this to happen, we need a force we can trust in a world where technology will always outpace our protective institutions. That force is cryptography. Fortunately, we don't need to understand deep nerd maths to understand why blockchain matters. Blockchain technology will enable us to develop distributed trust, without the need for a centralised third party to verify transactions. Where intermediaries now stand, blockchains soon will. Wherever we send information so it can be passed onto another party, that data will eventually be locked into something we can trust more than we ever could brands – we hold the key to a cryptographic black box. And we'll be the ultimate arbiters of who gets to see what and why in our personal digital warehouses.

Right now, blockchains are like the internet of 1993 – hard to conceptualise, facing problems of both understanding and user interface. But in 10 years' time when these problems are solved, we'll wonder how we ever trusted third parties with our data and privacy. In the interim, a massive opportunity for brands resides in pure transparency. Imagine a set of terms and conditions written by an 'end user' not a corporate lawyer. Terms written in a way a human can read quickly and understand immediately. A digital world where brands don't harvest our data, but respect it and hand it back to its rightful owners, us. While this seems like a counter-economic decision for anyone in the business of data accumulation, it's an inevitable reality that smart brand stewards should start getting used to now. 

AI: a people problem?

Michael Valos and **Alvin Lee** asked senior marketers about their AI-driven customer experience management.

In *Inc.* magazine Bill Carmody describes customer experience (CX) as “the only differentiator”, and Deloitte refers to it as “the new differentiator”. However, CX quality dropped between 2016 and 2017. According to Forrester, twice as many brand scores fell as rose, and losses were bigger than gains. Marketers seem to understand AI as part of the automation that is used to reduce CX labour costs. “This is around the navigational aspect of your website that is not so different to the supermarket situation, where you can’t be with your customer at every point in the journey,” said one focus group member.

The problem posed by having a narrow understanding of CX-AI is echoed by Katherine Raskob, director in communications and CX at ADMA, who recently implemented CX initiatives. “One of the biggest challenges in CX remains defining exactly what CX is – it has to be more than a great website experience,” she says. “It must be an ethos and a shared way of working and delivering, along with a clear and tangible picture of what we are actually trying to achieve for our own customers.”

Perhaps a thought adjustment about this area is overdue. Let’s focus more on the customer and less on AI. As Rebecca Fyson, senior marketer at BP, writes, “CX is really the innate understanding of your customer needs. To purist marketers who have been trained this way, this feels like a really strange question; this is how we live and breathe! So CX is not just about data mining and loyalty and personalisation; which is one really major relationship building element; it is for me the total experience and journey that our customers embark upon.” This turns the question to: how can we improve CX with AI?

Are we going about this correctly?

Scott Gunther from Customer Labs at IAG says that one needs to measure CX appropriately. “The biggest challenge in CX is that businesses are not focused on solving the right customer opportunities. Resources, effort and budget are scattered everywhere. The world has fallen in love with net promoter score (NPS), but CX measurement is so much more. Businesses need to identify what is important to customers, measure



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how we are performing against these key customer drivers, and then overlay the commercial impact of when they get things right and the commercial impact when they don't. Only then will businesses truly identify the right customer opportunities to solve." Similarly, a CMO at our focus groups pointed to the wisdom of investing in what customers value: people still like people. Firms should spend more on human-customer interaction, not AI-customer interaction, and ideally blend AI and human interactions to give customers choice. "Our

“Buyers are expecting their B2B experience to match their B2C one.”

customers want to invest in that human interaction," says Gunther. He says it's about ensuring that humans add value, but are not focused on "repetitive things that really don't mean that much to our customer, but are super costly".

In the B2B space, Andrew Haussegger, CEO at Green Hat, agrees. "For B2B, CX measurement is a challenge and buyers are expecting their B2B experience to match their B2C one," he says. "Our 2018 B2B Marketing Research report told us that. Creating experiences across B2B digital channels that use buyer data in a systematic way equates to 'competitive business advantage'. Machines (AI) can learn what content to provide at what time in the buyer's journey. Machines can dynamically

modify offers based on what has worked in the past with 'look-a-like' customers, and can test scenarios, making human-free decisions that improve the engagement and personalisation for the buyer."

Is it really intelligent?

CMOs in a focus group thought that AI was a threat to CEOs by diminishing their role as strategic decision-maker. They suggested that AI had little potential to facilitate better CX. One member said this was because "part of the CEO's role is to ask questions and challenge whether something really is objective or not". Perhaps they mean that AI is not (yet) smart enough to give good answers to complex problems.

To elaborate, Peter Holmes, ecommerce customer lens manager at Officeworks, commented on the lack of links between AI-generated information and business case development. "With limited attribution modelling available for social media, businesses find it challenging to make strong business decisions off the back of customer insights uncovered from social media listening and monitoring," says Holmes. Presently, AI is relegated to providing evidence to support decision-making. As raised in a focus group, "What AI can do is hypothesise potentially and test really easily, and it can do that at scale quickly and efficiently. So, it could test multiple options and say, 'Does this resonate?' Yes/no."

Significant blockage may rest on organisational resistance to AI. Caroline Ruddick, general manager marketing at Latitude Financial Services (previously GE Money), highlighted the leadership and cultural challenges. "I have observed CX transformation programs across a range of organisations," she says. "The biggest challenges are whole-of-organisation buy-in

to the change and prioritisation of funding. The change agenda usually comes from the top; however, there is often resistance to change across different stakeholder groups, which can hinder success and there are competing business priorities across organisations to access finite funding to implement successfully." This surely contributes to AI implementation.

Mitchell Mackey, marketing director at Ansell Healthcare, stressed that quality is paramount in the marketing/IT collaboration. "Translating the rhetoric of 'customer-first' into meaningful action and overcoming legacy attitudes remains hugely challenging for traditionally structured companies. IT people who have built their careers around coding and building are being threatened by marketers who go around them and buy tools directly from tech vendors. However, marketers who do buy their own tools without IT's endorsement often find themselves stuck with point solutions that cannot be easily integrated and extended into their companies' broader ecosystems." The same idea emerged during another focus group when a CMO said, "So, I rehired someone who'd worked for me two years ago. And I asked, 'How did the project [implementing the vendor's new product] go?'

"And they still haven't got it fully functioning," said the CMO.

Finally, marketers have just started down the road to use AI in delivering customer experiences. The AI does not seem to be the problem; people seem to be the problem. **1**

Focus groups are run by the marketing and information systems academic research team at Deakin University.

Trust is a contact sport

Building trust goes beyond providing consistency, responsiveness and transparency. **Sérgio Brodsky** says brands that perform in this outer space will unlock more meaningful interactions with audiences.



Sérgio Brodsky is an internationally experienced brand marketing professional and scholar of The Marketing Academy. Having worked for the world's leading strategic communications agencies, he is a proven thought-leader, regularly being published and featured on high-profile conferences and festivals worldwide. He is passionate about cities and culture and the role of brands and technology in society. Sérgio is multilingual, holds a BA in IP law and an MBA in global brand strategy and innovation. Follow him on Twitter: @brandKzar

Consistency, responsiveness and transparency are often cited as the key ingredients to building trust, as these are able to anticipate specific feeling towards specific experiences. By standardising their practises, brands are able to ensure expectations are met, removing the discomfort of having to deal with hits and misses.

Yet, according to global trust authority Rachel Botsman, "trust is the degree of comfort one feels when dealing with the unknown". And, once established, trust replaces the need for consistency, responsiveness and transparency. As paradoxical as it may sound, what Botsman means is that trustworthiness is independent, allowing us to confidently venture into the unexpected – like those dine-in-the-dark experiences.

Speaking of darkness, the US dollar motto 'In God we trust' is but a way to reassure that despite its Kafkian apparatus, the Federal

Reserve is an institution Americans can 'bank' on. Even after recent crises, the emergence of financial technologies and an overwhelmingly negative public opinion, the sector's disruption is still far from fruition.

With its ratings, reviews, pictures and direct, real-time communication between guests and hosts – all wrapped up under a consistent UX (user experience) design – Airbnb has turned a suspicious idea into a successful business. The above tactics have proved very effective, but are no antidote to countering the intrinsic distrust we have over brands and people in general. And the strict application of consistency, responsiveness and transparency guidelines is as hard as it is expensive to operationalise. But when considering that brands and religion carry so many similarities, a powerful insight can be drawn by looking back at one of the first and most remarkably long-standing cases of trust, the covenant between God and Abraham.

In the Biblical story, without any consistency, responsiveness or transparency, the father of monotheism goes through 10 different challenges. He overcomes them all – including circumcising himself – in exchange for the posterity of his (yet-to-be-born!) people.

This does not increase Abraham's love for God, but ensures an everlasting trustworthy relationship beyond doubt. That is simply because we mostly trust not those we simply like (e.g. friends) but those we can count on (e.g. family). And, in hindsight, monotheism prevailed whereas ancient forms of paganism vanished.

But what is really hard to understand was what actually allowed Abraham to trust that

TRUST LEVERS	WHAT IT MEANS	IMPLICATIONS FOR BRANDS
Shared vulnerabilities	Mutually disarming ourselves from our fears and ego drives is an effective way to demonstrate trust and, consequently, earn it.	Be the first to acknowledge failures and empathise when customers don't succeed at doing something, like filling in an online form.
Uncommon commonalities	Fitting in while standing apart is a rare fine balance that allows more than joining a culture, but actively contributing to it.	Ensure your brand positioning (or core essence) informs, and is informed by, the audiences your brand interacts with.
Uncomfortable conversations	Taboo topics like sexuality, politics and religion – when respectfully approached – have the power to bring even extreme opposites close together.	Have a view on culture. Stand for something and stick to it. Don't just talk, demonstrate you're prepared to take the 'hard walk'.
The Overview Effect	By going to space, astronauts feel less concerned about achievement and enjoyment and more about humanity and the environment.	Be culturally switched on. More than operators, those managing brands need to understand life happens outside their brand guidelines and allow themselves to adapt their brands' behaviour when necessary.

a series of aggressive, irrational rituals would lead into a seemingly infinite pact! According to (modern) science the answer lies in the neurochemical oxytocin (OT), which is released whenever we experience feelings of connection. OT, in turn, motivates reciprocation. The release of OT signals that the other party is 'safe' to be around and that cooperative behaviour will not be exploited. Social media can be better used this way. But ephemeral interactions won't do the trick. Dopamine spikes resulting from likes, shares or reposts won't help with trust; those will only get us hooked like video games or apps do. Strong bonds emerge from meaningfully putting skin (or, foreskin... pun intended) in the game – like initiating or moderating discussions. When it comes to media (not just social), designing participatory ecosystems is key for trust, where engagement improves conversion.

As audiences become increasingly more engaged with a brand, they concurrently become more willing to pay for its products and services – and the brand must take an active approach to

encourage its audiences to lead the creation of new social groups, conversations and channels.

Empirical research led by professors Lior Zalmanson, a Fulbright visiting scholar at New York University's Stern School of Business, and Gal Oestreicher-Singer from Tel Aviv University's School of Management has demonstrated the correlation between meaningfulness of engagement and conversion rates.

The researchers also found that audiences who were more actively engaging with a brand made a purchase decision sooner than those who were less active (or not active at all).

So how can we get to a point where we trust a brand, colleagues or anything else so much that we may willingly put our lives in their own hands? This is not the most uncommon situation and is experienced every day from going to a doctor, lawyer, playing contact sports or... venturing into space as an astronaut.


In the extreme case of astronauts, NASA (National Aeronautics and Space Administration) has actually gone to the lengths of hiring a wilderness trainer that prepared

groups of astronauts to trust one another in any situation during extended missions. Once again, overcoming stressful situations together, such as having to hunt to avoid hunger, proved the most effective way to building trustworthy relationships.

From this extreme training, key trust levers were identified and above I've added what the implications could be for brands.

As trust moves away from centralised institutions and gets distributed across society, and as CMOs worldwide get their budgets reduced, we must consider more cost-effective ways of engagement that improve conversions.

For marketers this means adding the 'neuro' prefix to their titles and becoming more familiar with the brain, replacing dopamine-fuelled communications with oxytocin-led experiences.

Building more meaningful interactions between audiences and brand via participatory media ecosystems is your best bet. I won't present case studies, answer questions or provide any more information than what is already here. Just trust me, will you? 

Trustworthy traits

Jac Phillips chats with Kent Grayson, associate professor of Marketing at Kellogg Business School, about the culture and traits required for trust to flourish in great organisations.



Jac Phillips is senior director and head of marketing, Australia, New Zealand & South Pacific, at Visa.

We are living in such interesting times. Change is rapid. The brands most popular today may not be the brands we use tomorrow. Who we thought we were last year, may not be exactly who we are next year. What we knew last month is different to what we will know next month. Beyond information, beyond technology, beyond systems and beyond products, trust is the one thing that changes everything.

"It's not a nice-to-have; it's a must-have. Without it, every part of your organisation can fall, literally, into disrepair. With trust, all things are possible – most importantly, continuous improvement and sustainable, measurable, tangible results in the marketplace," say Stephen R Covey and Douglas R Conant in their *Harvard Business Review* article 'The connection between employee trust and financial performance'. I joined one of the world's most trusted brands just over a year ago. Visa, in my mind was synonymous with trust – I have been using the brand for as long as I have been wedded to the plastics in my wallet and it has never once let me down.

I can depend on Visa. As it is the world's largest technology payments network, I was surprised to learn the brand had been around for as long as 60 years – in fact Visa and Madonna both share the same birth year, proving age is an attitude not a number! Revolutionising the payments industry and continually evolving as a business and a brand is the reason people continue to interact with Visa every day at any hour of the day. As I was proudly informed by our VisaNet team in my first week: '65,000 transactions a second pass through the Visa network!'

So what was it about Visa that

really appealed to me? Working for a brand in a senior position means you are aligning your own values to that place of work, so it is a critical and personal brand-making decision. As well as the typical appeal to the role and responsibilities, the quality of the leadership and the strong technology culture at Visa, it was fundamentally because I wanted to work for a highly regarded global organisation that was innovative, forward-thinking and had built strong connections with all its stakeholders.

Today there are many ways to pay and be paid. Innovation in the industry is constant, but being popular isn't the same as being trusted. And in my organisation, we are all very invested in ensuring our 'most trusted' brand title remains for the next 60 years. We recently engaged with an expert: associate professor of Marketing at Kellogg Business School, Kent Grayson, with whom I was fortunate enough to spend time. I asked him a few questions about trust pertinent to marketing.

Jac Phillips: Are some industries at a disadvantage when it comes to their marketers trying to build trusted, positive brands?

Kent Grayson: For consumers, trust becomes more and more important as uncertainty increases. Think about how much trust you need when your doctor says you have

strep throat. Strep is pretty common, there's a reliable test for it, and there's not a lot of disagreement about how to treat it. This is low uncertainty so not a lot of trust is needed. But what about when someone's doctor tells them they have cancer? For many cancers, there are sometimes disagreements about whether the tests are even reliable, especially for early stage cancers.

What's worse, there are sometimes radically different treatment recommendations. This is uncertainty to the max, which means you really need to be able to trust your doctor! So industries where uncertainty is high have to work harder to build trusted brands. For consumers uncertainty comes from three sources:

- ☀ *Context*
Take financial services as an example. In 2009, many considered the financial services sector to be highly uncertain, regardless of brand or country.
- ☀ *Players in the context*
In 2009, the financial services market globally was pretty volatile. But Canadian consumers had a sense their banks had been more conservative in their exposure to mortgage-backed securities. So, even in an uncertain context, their trust was higher.
- ☀ *Uncertainty has more influence when there's more at stake*
I may be OK buying a knock-off pair of shoes at a flea market, because I'm only paying \$9.99, and because all I'm risking is that the shoes may fall apart sooner than expected. But if someone tells me that knock-off shoes are often made with carcinogenic fabric, the risk of buying goes up. Now the flea market vendor has to work harder to build trust in order to sell the shoes.

“ **Being popular isn't the same as being trusted.** ”

When it comes to the marketer/ agency relationship, how important is leadership at the senior-most levels in creating a culture of trust and appreciation?


Leadership is critical for everything important that happens within a team, department, agency, business unit or company. It's critical for creating a culture of trust. First, the leader has to make trust a priority. That's not easy. Increasing trust is more soft and qualitative than reducing costs. Many leaders naturally gravitate to what's measurable. But leaders have to remember just how much of a pivotal influence they have on the culture of a company. Generally speaking, an organisation will lean toward whatever a leader thinks is important and will ignore whatever a leader thinks is unimportant. Often, the leader's priorities will be judged by his or her behaviours and resource investments. An example: Larry Rosen is the CEO of a high-end men's retailer in Canada. High-end retailing is successful only to the extent you can build client trust and long relationships! You aren't selling just one \$2000 suit; you're hoping to sell one or two suits a year for several years. Larry talks about the importance of culture and how he builds a culture of trust. One point he makes is that sometimes his competitors have hired his best performers hoping to buy the salesperson's sales abilities.

But when those high performers are put in a different culture, they do not always perform as well as they did when they worked for Larry. This is because the new culture doesn't reward building trusted long-term relationships.

Do certain personality traits encourage better, more trusted relationships?

For years, psychologists have shown that you can really understand anyone's personality by measuring what they call the 'big five' personality characteristics: extraversion, agreeableness, openness, conscientiousness and neuroticism. Three of these – conscientiousness, extraversion, and openness – have been linked to trust. Research has also shown that national culture influences or predicts trusting behaviours. While it's easy to overgeneralise on this point, studies have shown that those from more collectivist cultures like Korea and Japan take longer to develop trust in new others, especially if the others are from outside the person's clan or group. Those from more individualistic cultures like Australia, the US and Europe are more willing to develop trust in people they don't know very well. In his book *Trust*, Francis Fukuyama argues that these cultural differences can explain why certain countries have developed at different speeds.

Some great insight Kent, thank you.

In a world where the only constant is change, it is comforting to know some things, like deep and trusted relationships, ethical leadership and values-based cultures, continue to be the difference – given trust takes years to build, seconds to break and forever to repair. 

Way Out



Associate professor **Con Stavros** is the program director of postgraduate marketing studies at RMIT University and one of Australia's leading commentators on marketing matters. Tweet him @constavros.

For sporting brands, the concept of trust is particularly important given the custodial arrangement that exists for their highly identifiable and passionately followed products. FIFA (Fédération Internationale de Football Association) is one example, running the beautiful game of world football through the authority conferred to it by its member nations. FIFA has a wonderful product in the World Cup, which is kicking off in Russia. My enthusiasm for this event runs deep and meeting the trophy on a sunny Zurich afternoon at FIFA headquarters is one of my greatest memories. I have watched almost every match of the finals since Spain 1982, fixating on the month-long extravaganza. I am not fussed by timing (4am is the new noon) or match-ups (Costa Rica versus Tunisia? Bring it on).

I am also not just a finals fan. With 211 footballing nations attempting to qualify, I spend the preceding two years engrossed in the process of elimination that leaves the last 32 teams standing. I'm obsessed. The 2018 version, however, stands as somewhat

of a last hurrah – my trust in the spectacle diminished by recent decisions that feel not just like personal disappointments, but marketing misgivings. While some may argue I should have lost my faith in FIFA long ago, I've remained loyal to the tournament that signifies its power and global reach. However, beyond this July I will feel a little lost and a lot bitter. The tournament from 2026 onward will expand to 48 teams. Bigger, for me, is not better. The event remains the same length and the champion will still play the same number of games (seven) as previously; however, instead of an opening round stage of eight groups of four teams, the process will reportedly feature an opening stage of 16 groups of three teams, with the top two teams progressing to a final 32, which continues as a knock-out format. One sales pitch for expansion was extra games (64 to 80) and therefore additional media revenue.

For an aficionado, it is disappointing. The build-up to the tournament is diluted as qualification is potentially easier. Australia, for example, will now play

in the Asian region, not for one of four qualifying spots, but one of eight. The Socceroos could slot me in as striker and we'd still be a chance. The marketing implications also seem questionable. Extra revenue in more matches is no certainty if quality is diluted and what about the loss of meaningful qualifiers among the more powerful nations? Teams, which now progress to the finals knowing they will play a minimum of three games, will only be assured of two, perhaps affecting sponsorship and associated potential on a national level.

Will fans, detached from qualification, still feel connected to the tournament? If a diehard like me is losing interest, what then of the more casual fan that may already be satiated by the various national leagues around the world? The World Cup was more because it was less – a balanced confluence of scarcity, ambition and rare achievement that had grown to a perfect 32 participants. Now it is more, but less.

If you are wondering why I am bowing out in 2018 and not 2022, I remind you that the next host nation is Qatar, where a geographically confined event run in November/December instead of the usual June/July, could likely appear as little more than a temporary diversion in the middle of most of the world's leading league competitions – further diluting my interest and passion. Thanks FIFA. For a sarcastic nothing, that is. I thought we had an unspoken trust in place where I would unashamedly worship your resplendent World Cup product until the end of my days.

I may come back, but only begrudgingly, even if all turns out well. Thankfully, there is also a FIFA Women's World Cup. It's being played in France in 2019 featuring 24 teams across nine cities. Sounds more my kind of thing, and our Matildas are a genuine chance to win! 🇦🇺



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