

Internet advertising Regulation/Not-for-profit advertisers

Industry bodies make case against future regulation

Many are calling for greater control over the web, while self-regulation comes under scrutiny. So how should online advertising be governed?

Lucy Rouse

Outgoing Ofcom chairman Lord Currie argues that the UK's communications regulator should keep a tighter rein on the internet in the future. Meanwhile, Stephen Carter, who was appointed to the new role of UK minister for communications, technology and broadcasting last month, is preparing a plan that could include greater regulation of the internet.

This may be the future, but for now online advertising is self-regulated and industry bodies, such as the Internet Advertising Bureau (IAB) and the Internet Advertising Sales House, think it should stay that way.

The problem is that government and Ofcom don't want a repeat of the premium-rate phone line scandal that rocked the television broadcasting industry last year and raised a red flag over the self-regulatory status of premium phone lines. Viewers paid to phone in votes for TV talent contests that were never counted, while the phone line companies and the broadcasters shared the phone call revenues.

Growth

As online advertising grows into a sizeable market sector – worth some £1.7bn in the first six months of 2008 – it is attracting more attention. Online adverts in the UK now account for nearly 19% of total UK ad spend according to IAB research and, by early next year, online advertising may well overtake UK TV advertising in overall spend.

Although growth in the sector slowed in the first half of 2008, it is still dynamic, with internet advertising up 21% from the same period in 2007. The IAB believes that despite the economic slowdown it could bring in £3.3bn in 2008. Certainly online ads look healthy compared with the ad industry as a whole, which the IAB says shrank by 0.7% in the first half of this year.

The bureau believes it's all about education and it is targeting MPs, peers and regulators. "There is an education gap," says Nick Stringer, the IAB's head of regulatory affairs.

To start plugging the gap, Stringer is staging the first of a series of "teach-ins" in November for officials from the Department for Culture, Media and Sport (DCMS) and the Department for Business, where he and colleagues will explain what online advertising is, how the likes of

Google make money and the intricacies of search and video marketing.

The IAB will also address consumer concerns about techniques such as behavioural advertising – which targets groups or individuals based on their internet usage and habits.

Stringer argues all those involved in internet advertising are already governed by basic laws: "There are more than 100 pieces of legislation in England and Wales that cover advertising." The Committee for Advertising Practice (Cap) establishes codes of practice – the non-broadcast code, in the case of the internet – which are then enforced by the Advertising Standards Authority.

Flexible and fast

The bureau says this system is flexible and fast enough to respond to the rapidly changing world wide web. For instance, a European directive implemented in May about misleading content has already been incorporated into the non-broadcast Cap code so that it covers online advertising. Hence the IAB and others are against more formal regulation. "Formal regulation is fundamentally the wrong way to look at online advertising," says Stringer.

He accepts there may well be a debate about how online advertising (and other online content) should be regulated in the run-up to a new communications bill. But "if there's a debate about more formal regulation, we would like it to be in the context of what's already in place and of the benefits that advertising brings to digital Britain." He points out that commercial content often pays for content and sites to be made available to users for free.

But there are also other organisations seeking to create some agreed standards. The Internet Advertising Sales House (IASH) was set up two years ago to encourage online sales houses to adopt an approved code of conduct, including practices to ensure that display ads do not appear on websites that could jeopardise advertisers' brands.

One of the IASH founders, Khalil Ibrahim, who runs sales house Unanimis, says: "We're conscious that if we don't get our act together the government will wade in. But Ofcom is talking to us so we're on the agenda." He says IASH has been so successful that German and US online sales houses are looking to set up something similar.

At least one legal expert believes self-regulation should remain the status quo for the sector. "The things on the internet that people find annoying tend to come from outside the UK," says e-commerce and digital media partner Vanessa Burnett at lawyers Berwin Leighton Paisner. "My fear is that if you have some oppressive international accord, you will never stop the bad guys but you might make it more cumbersome for the good guys. So self-regulation on a more coherent international basis might be the only solution."



Hardhitting: The Metropolitan Police's Operation Trident campaign's Badman music video from 2005 is still being viewed

Creativity out of the crunch

The recession is prompting not-for-profit advertisers to see new value, creativity and increased public engagement in online campaigning

Meg Carter

The turmoil in the financial markets has put greater pressure than ever on not-for-profit advertisers already struggling with limited marketing budgets and difficult messages to convey. Yet when it comes to digital creativity it's charities and government departments that many now believe are leading the way.

Government departmental campaigns, for example, have explored a full spectrum of digital marketing tools – from awareness-building through search and online display advertising to more direct engagement campaigns on a range of issues using games, widgets, mobile applications and social networks.

"Digital is now central to our communications planning because of its mass audience reach," explains Daniel Stephenson, head of digital marketing at the Central Office of Information, which helps government departments develop their communications campaigns.

For an RAF recruitment campaign which ran earlier this year, for example, a profile page was developed with Bebo to support a dedicated YouTube channel carrying both historical content and up-to-the-minute

footage from the front line in Basra. The initiative generated significant online discussion about the everyday realities of air force life among prospective recruits.

A recent Home Office knife crime initiative, meanwhile, distributed a CCTV viral video via Bluetooth downloads to mobile phones in shopping centres. To date, this has generated 350,000 mobile downloads that, together with seeding on online video sites, has delivered 9.5m views.

For Frank, the drugs advice and information service for teens run jointly by the Home Office, Department of Health and Department for Children, Families and Schools, a software programme called FrankBot was developed for use on MSN Messenger. By downloading the bot to add to their buddy list as a new friend, teens could quickly and easily access information about drugs.

For its awareness campaign around the new HPV vaccine for cervical cancer, meanwhile, the Department of Health worked closely with social network Habbo Hotel. As well as seeding information within the site, it also used the social network as a virtual venue for a weekly live web chat between teenagers and NHS advisers.

"Digital allows us significant opportunities to reach both broad and niche audiences with minimal wastage thanks to the data we can mine to optimise targeting," Stephenson explains. "Also important, however, is the potential for real-time interaction with audiences which enables us to innovate, test, review and adjust communications as a constant, on-going process once a campaign is up and running."

Another driving force for not-for-profit

campaigns is the long-term exposure digital platforms – the internet, especially – can offer, according to Andy Naim, planning director at ad agency Miles Calcraft Brighshaw Duffy. The agency was behind a 2005 anti-gun crime music video, Badman, produced for the Metropolitan Police's Operation Trident campaign. The video was seeded widely online and three years on it is still regularly viewed.

Digital also provides an ideal platform through which to address sensitive or complex issues. "Health information is often presented in a didactic way, making it easy to ignore," says Henry Scowcroft, online manager at Cancer Research UK, which has developed a downloadable widget allowing users to track their daily alcohol intake on their desktop. "Digital allows you to communicate more laterally and achieve deeper levels of engagement."

This point is endorsed by Matt Connolly, strategy director at digital agency Enable Interactive, which last month launched an alternative reality game to promote the British Red Cross's latest campaign to raise awareness of the effect war has on civilians (see box below).

"In today's climate everyone has to justify every marketing pound spent and, at a time of rising donor fatigue, charities must even more so," he says. "But the real opportunities extend way beyond traditional fundraising. As charities like British Red Cross are now starting to demonstrate, the true potential lies in building digital communities around areas of shared interests and then exploiting their strategic links."

Playing for change The Red Cross's Traces of Hope

The British Red Cross has used an online, alternative reality game that combines storytelling and detective work in its latest awareness campaign.

Called Traces of Hope, the game was developed by digital agency Enable Interactive and is set in northern Uganda. Players communicate directly with a fictional child refugee called Joseph and must hunt across the internet for clues to reunite him with his mother.

The game went live in early October on a dedicated website and will remain active until mid-November. A database of those who have registered will be used to build further support in the future, including a request to donate funds to the Red Cross.

"The impact war has on civilians is a difficult topic to explain and encourage people to engage with," explains Dorothea Arndt, British Red Cross's new media manager, who coordinated the campaign. "This had to be about more than just an appeal to people's generosity."

The appeal of the online game lay in the potential to blur the boundaries between reality and fiction – an ideal approach to bring to life a story typically relegated to small snippets in national newspapers.



Hope: the Red Cross is using an alternative reality game to increase public engagement

Digital marketing and advertising – already an important part of British Red Cross's marketing mix because of its targeting potential, accountability, and value for money – is growing in importance as charities face both the combined effects of donor fatigue and the economy.

"The challenge is to build deeper relationships with supporters and also to engage with new, younger audiences," says Enable Interactive strategy director

Matt Connolly. "Traces of Hope will be backed up with a customer relationship management programme to encourage those whose interest has been sparked by the game to become supporters, donors and campaign ambassadors." **MC**

Weblinks

Enable Interactive: enableinteractive.co.uk
Traces of Hope: tracesofhope.com

Online advertising Search/Social media

Through the digital looking glass

Search is usually thought of as a tool for driving web traffic, but forward thinking brands are beginning to mine its vast commercial potential

Meg Carter

While traditional forms of media are starting to feel the effect of the slowdown in advertising expenditure, latest evidence shows search marketing is on a roll, with its share of brand owners' online budgets rising faster than the current rate of growth experienced by online advertising as a whole.

Simply put, search marketing is the business of buying keywords relevant to a particular product or service so that, when that word is used in a search, the product or service gets a higher position on the search engine results page. Typically a campaign using search marketing has a brand owner paying the search engine for a high ranking. So Toyota would buy keywords "Toyota" but also "car" and maybe "sporty" or "affordable" to increase its ranking in a search for "affordable cars" or "sporty cars". This is known as "paid search". Alternatively, a brand can boost its ranking without having to pay by rearranging its online content to make the keywords associated with its brand easier for search engines to pick up. This practice is called "natural search" or "search engine optimisation".

Search is a robust and expanding tool used by brands and agencies and it already represents 58.3% of total UK online advertising spend.

While total UK online ad spending for the first six months grew at just over half the rate experienced a year ago, latest figures from the Internet Advertising Bureau show that search spending was more resilient, up some 28% year on year and worth £981m in the first half of 2008.

Until now search has been a business focused around driving online users to particular websites as well as identifying users who might be inclined to buy certain products, either online or offline. The turmoil in the financial markets, however, is sharpening interest in how to use search to achieve more subtle advertising and marketing goals like better branding for companies.

It's only logical because as both advertising and agencies recognise, brand val-

ues are reinforced every time a brand comes into contact with a potential consumer, whether that is in the grocery aisle or online.

Search is a fantastic complementary medium, although we're yet to see brands fully embrace it as a brand-building tool," says Google's UK sales director Mark Howe. "Every keyword – not just a brand's name, but also keywords associated with a brand's territory – represents a potential audience for that brand. And consumers now expect top brands to feature at the top page of any search [they do online]."

Howe's enthusiasm for broadening the power of search advertising is not surprising, given that Google already dominates the search market (over 90% of UK searches are done through Google) and paid-for search (the sponsored rankings on the right side of a Google search result page) is Google's biggest revenue earner.

"The big question for brand owners today is how to move beyond direct response to building brand recall, purchase intent and brand awareness through search," says Andy Mihalop, search director of digital media agency I-level.

To do this, brand marketers must think beyond the "direct response" result that buying certain keywords provides. One fundamental challenge to expanding search is metrics – how do you measure the effectiveness of search marketing in raising awareness of a brand or altering perceptions about a brand? And to what extent do each of these make someone more likely to buy that brand's products?

"Search is changing with the move from text-only to images, audio and video," says Arjo Ghosh, chief executive of digital agency iCrossing. "As a result, brand owners must re-think their approach to content and online evaluation too." iCrossing is working closely with several of its clients, including insurance company More Th-n, to optimise their search strategies and make them into brand-building experiences as well.

Ghosh believes that search marketers must think differently about the entire online user experience, especially as user behaviour evolves in line with the rise of online social networks like Facebook and the evolution of so-called rich media –

"Search is changing and brands' approach to search must, too. It's no longer just about what Google thinks"

Search is changing and brands' approach to search must, too. It's no longer just about what Google thinks



Under scrutiny: rival search engines are keen to weaken Google's hold on the market

Strategic thinking More Th-n

Insurance company More Th-n is developing social networking activity around its own content platform, as part of a new approach to using search more strategically to build the brand.

"Paid-for search remains important, but we want to increase our natural search ranking over the long term," Roberto Hortal, More Th-n's head of e-business, explains.

"We saw an opportunity to add to consumer conversations on social networks. Eighteen months ago there was a clear gap in online conversation about financial services and insurance – though people were happily discussing the items they insure and their environmental concerns."

"So we created a source of information about daily issues and information about each, designing content that would be picked up and passed on."

Launched in the summer of 2007, living.morethan.com is an editorially-

independent – though branded – online platform where people can talk about how they can live smarter and greener, with an emphasis on cars and homes.

Original content is structured to ensure search engines can find every element, image, video and press release. An early result saw a More Th-n article on flood precautions appear high up on Google's first page of natural search results within a day of being posted on living.morethan.com; a year later, the article still ranked in fourth position.

"It's just one example of how we are using search to create engagement as well as brand impression, associating ourselves with people's current interests to ensure we're noticed – even when potential consumers aren't actively looking to buy insurance," says Hortal. **MC**

Weblinks

More Th-n: living.morethan.com

Campaign conversations

As consumers shift towards communities and interaction, agencies are breaking traditional ad moulds. It's not about the message anymore

Kate Bulkley

There is a boom going on in what the advertising world calls social media, basically the practice of joining or creating conversations that will attract consumers to your brands and hopefully get them interested in buying your products.

It's a risky business because the "broadcasting" model of traditional media, where advertisers buy the opportunity to tell you their message, breaks down online. "Social media is not just about putting ads on social networks like MySpace," says Leo Ryan, co-founder of digital media agency Ryan MacMillan. "What's important is what people do on social media."

Ryan says that the trick is to create reasons for people to choose to interact with a particular brand or product: it's about brands being involved in conversations with consumers rather than just telling them how it is; the theory is that you cannot buy social media, you have to earn it.

The Connected Agency, a recent study from research company Forrester, says: "Consumers have replaced trust in advertising with trust in individuals. Turning to communities and away from mass media, consumers will ignore messages, insist on involvement, maintain control over their privacy and prefer peers' endorsements."

All this sounds great, but how do you get your brand message across in a conversation that you don't control? And given that

there is no accepted metric for social media, how do you know it's working?

Perhaps the first big social media example is the filming of Sony's Bravia Balls campaign for which Sony rolled thousands of coloured balls down hills in San Francisco. That was in 2005 but San Francisco already had a large population of bloggers, many of whom documented the shooting on their sites. Initially Sony was concerned about losing control over the PR for its big TV advert. However, the experience turned out to be a good lesson. "The Balls campaign was the best thing that could have happened to us," says Ruth Speakman, head of consumer PR for Sony Europe. "We learned that involving the consumer in fact gives you a lengthened campaign."

Since then, Sony has honed its skills on creating "platforms for conversations" online with its Bravia Play-Doh Bunnies campaign and the recent Foam campaign which saw 122m gallons of foam released in central Miami. Agency Fallon created the Foam campaign and digital agency Immediate Future "amplified" the campaign online, flying a group of bloggers to Miami and creating extra videos and graphics. "We call it social currency and it's like the bottle of wine that you take to a dinner party. It's an exchange of information," says Katy Howell, from the PR firm Immediate Future.

According to Sony, 95% of the online coverage from the Foam campaign was positive. And significantly the campaign created a good buzz around Sony. "It's great for us to not be just talking about products but to talk about an entertaining experience," says Sony's Speakman. "Because that's what we are selling really, an entertainment experience."

Weblinks

The Connected Agency: tinyurl.com/26v4xg



Ideas running wild: Sony's Bravia Play-Doh Bunnies campaign was a successful creative platform for conversation

Brand awareness Cravendale's Milk Matters

Social media campaigns, which emphasise talking with, not talking at, consumers, work best when they tap into communities that already exist. Such is the case in Cravendale's Milk Matters campaign, where digital agency Outside Line tapped into the tea-drinking community.

"Milk and tea go together," says Lloyd Salmons, director and founder of Outside Line. "Up and down the country people argue all day long about who should put the tea on." So, Outside Line built a tea-making widget – a group of people, say in an office, can sign up at makethetea.com

and log their tea preferences (milky, one or two sugars) and the widget will choose the next person responsible for making the tea.

Since the application launched in April, some 216,000 cups of tea have been brewed. That is against a total of 77,000 visits to Cravendale's website since May 2007.

"Why [else] would people come to the website to learn about milk? We tried to introduce some excitement," says David Cherrie, Cravendale's brand manager. And Cravendale isn't stopping with one social media application. At the end of September its Talk Like A Pirate widget (based on the

Cravendale pirate character) was offered for Apple's iPhones and so far some 30,000 copies have been downloaded.

"We are trying to drive awareness of the brand," says Cherrie. "It's difficult to pinpoint the impact on sales but it's making people aware of the brand and we are bringing new customers to Cravendale." **KB**

Weblinks

Cravendale: milkmatters.co.uk
Make the Tea: makethetea.com

Cravendale's Milk Matters campaign was a successful creative platform for conversation

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Stephen Carter, the new communications minister: reviewing internet regulation