



FRIDAY, JULY 18, 2008 1:48 PM IST

- Home
- MarketInfo
- Money Matters
- Economy & Politics
- Corporate News
- Views
- Columnists
- Business of Life
- Technology
- Marketing & Media
- International News
- Education Czars
- Lounge
- Careers **NEW**

ADVERTISEMENT

Ten years of Saluting Excellence

Ernst & Young
Entrepreneur of the Year Award India 2008

- Budget 2008
- Photo Gallery
- Video Stories
- Special Report
- Mint Reports
- Webcast Archive
- Blogs
- Partners
- Wall Street Journal
- Tools
- RSS Feeds
- RSS Story
- Desktop Alert
- mint e-paper
- Email Alerts
- Daily Newsletter

ADVERTISEMENT

Microsoft

Read **'The Race To Excellence'**

An exclusive research report prepared by CFO Asia Research Services in collaboration with Microsoft India

Click here to get exclusive access now!

CFO Asia research services

Posted: Wed, Jul 16 2008. 12:05 AM IST

Marketing and Media **RSS**

Digital media is a saviour in tough times

Digital media is seen as a saviour in these difficult times

TOOLS

- Email Print
- del.icio.us
- digg
- newsVine

font size

Ad Value | Marion Arathoon



In times of high inflation, payment rates and models dominate negotiations between vendors and customers. Not surprisingly, ad and media agencies are facing advertiser angst on this score.

My last column dwelt on how media specialists are eyeing creative payment models based on royalty, percentage of brand sales, etc. I say it's time agencies took cues from advertisers pushing for entrepreneurial-based systems over time-based compensation.



Marion Arathoon

Greg Paull, principal and co-founder of **R3 Asia Pacific**, a consultancy focused on improving marketing efficiency, says some marketers are tracking time and rewarding efficiency. "You can't improve what you don't measure. You have to track rounds of revisions, time wasted at different stages, time lost because of inefficiency," he says. "You have to create a new working dynamic, as Coke has now done in China, to drive greater innovation, integration and efficiency."

Digital media is seen as a saviour in these difficult times. Since the medium is still nascent, it is harder to arrive at standard payment benchmarks such as commissions or hourly rates. The truth is, advertisers and agencies are fuzzy about how much to pay for or invest in digital media. Paull has some suggestions:

Go back to "e-school": The biggest problem marketers face in paying creative agencies for digital work comes from lack of knowledge. They do not know about Flash software and multimedia technology and how they work, how digital work is created and what its limitation are, and importantly, how consumers interact with the Web. The best agencies factor in time to make their clients aware of all this. They go beyond reactive project-based work and treat the marketer as a partner in the digital journey.

Digital is not just another medium, it's a way of life: From a creative perspective, most marketers and agencies still treat digital as a medium to be consumed. We need to extend the look and feel of our television onto the Web, they say. Well, many online customers may never interact with TV.

Respect the time it takes a media agency: A typical media agency can't effectively buy online media at 2, 3 or 4% commission since most buys involve more work, more collaboration, content negotiations and detailed analysis. There's no guideline on what it should cost, since each client uses its media agency in different ways for online media. Don't treat online media buying with the same commodity mindset as TV and print, or you will end up with activities that do not get noticed. Use the analysis to your advantage; pay the agency a variable remuneration based on results that are easily tracked through the effectiveness of a campaign. One of R3's clients recently ran 94 different creative units for one promotion — each was tracked and measured to the smallest detail.

Overestimate your online spend, and test: It's amazing how clients and media agencies can mutually agree to spend 1-3% of media on something people are interacting with for over two hours a day. Clients in Asia do not

Search

HOLY TRIVIA! BATMAN! Have you won the quiz? Find out now

e-paper | TODAY'S NEWSPAPER | mint CODE

Don't Miss Another Sales Forecast

Click here for your **FREE** Forecasting Best Practices Kit

ORACLE

Related Articles

- How ad CEOs hope to cope with attrition, wage spiral
- RBI likely to hike rates further, retail NPAs to go up: Crisil
- Inflation inches up to 11.91%
- Govt may ban export of flat steel products, iron ore

Jumpstart your study abroad!
Counselling, University Search, Profile Tests >>

Advertising

- How ad CEOs hope to cope with attrition, wage spiral
- Sepia Advertising wins Rs22-crore Baderwals Projects media account
- Web Exclusive | 'Twitter-nama', a new communication tool
- Make your marketing budget work — halve it
- First of all, get a powerful insight

Most Read | Most E-mailed | Editor's Picks

- Too much sex in the city?
- Investment bankers see opportunity in a bear market
- Think big inside the box
- Poor pay keeps private sector applicants away
- Results justify TCS stock price
- FDA comes under Congress scanner over Ranbaxy
- Siva feuds with Maxis in Singapore

Video Story

A new chapter opens in Indian advertising with

Hindustan Times
Hindustan
HT Next
Fever 104
HT Jobs

ADVERTISEMENT

Let a better career find you.

[Click here to log on to Shine.com](#)



spend enough on online due to poor selling strategies by online owners, poor knowledge of media agencies and risk-averse clients. Coca-Cola in some markets is now spending 15% of its campaign budgets on digital media. Would it do so if it wasn't getting results? Of course, the beauty here is the ability to test and learn — to experiment, to conduct research before and after, and even track online campaign effectiveness.

Marion Arathoon is Mint's advertising editor. Your comments are welcome at advalue@livemint.com



[Post Comments](#)

Tags - Find More Articles On: [Inflation](#) | [R3 Asia Pacific](#)

Find More Articles By: [Ad Value](#) | [Marion Arathoon](#)

COMMENTS



Sandip Said:

Digital Agencies (in India) are as much to blame as brand marketers, for on-going commoditization of the interactive medium. The knowledge base of many agencies is trapped in Web 1.0 era (circa 2000), when measuring digital media was all about page views and CTRs, and creation was limited to eye popping flash. To command a premium for advertising innovations online, the agencies need to master the medium first and evangelize the power of branding online. The NY Times in the USA is making more money on the web than ever before with its online revenues jumping by 26%. Every AD (well almost) is a visual treat and has a story to tell - and this in turn, is convincing brands that they too can innovate online. Paying a premium is hardly the issue once you have deep conviction. As the interactive medium goes more social, it is now possible to track every bit of UGC creation, levels of interaction and even the speed at which the content travels - the new buzz is about 'social velocity'. These are exciting times for digital media, because with the economic slump, marketers will be keen to listen to alternate solutions. Sandip Maiti (experiencecommerce.com)

Posted On 7/16/2008 8:22:40 AM

[Reply](#)



[Post Comments](#)

ad novellas [Watch Now](#)

	<p>Read - 'Ready, Willing and Enabled: A Formula for Performance' An exclusive Economist Intelligence Unit whitepaper Click here to get exclusive access now!</p>	
--	---	--