

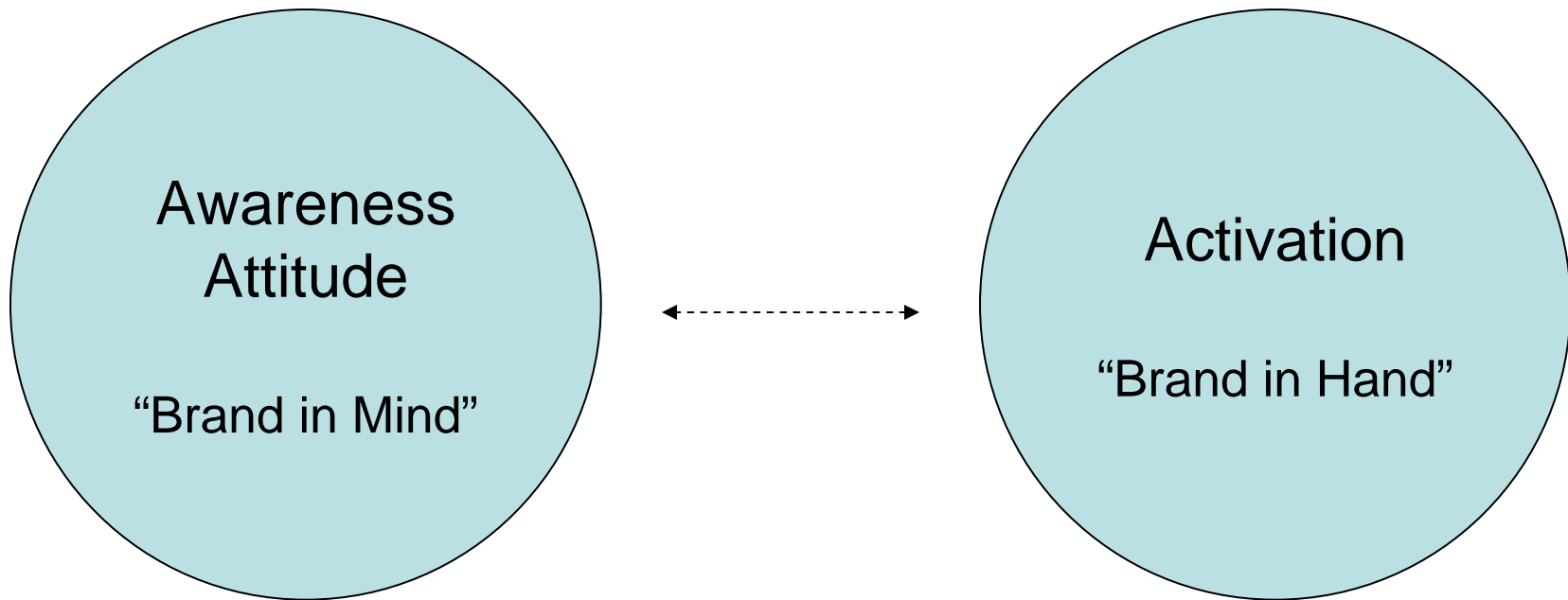
Engagement: What Is It? Why Should It Matter? How Can We Measure it?

Joseph Plummer
Custom Content Conference
March 10,2008

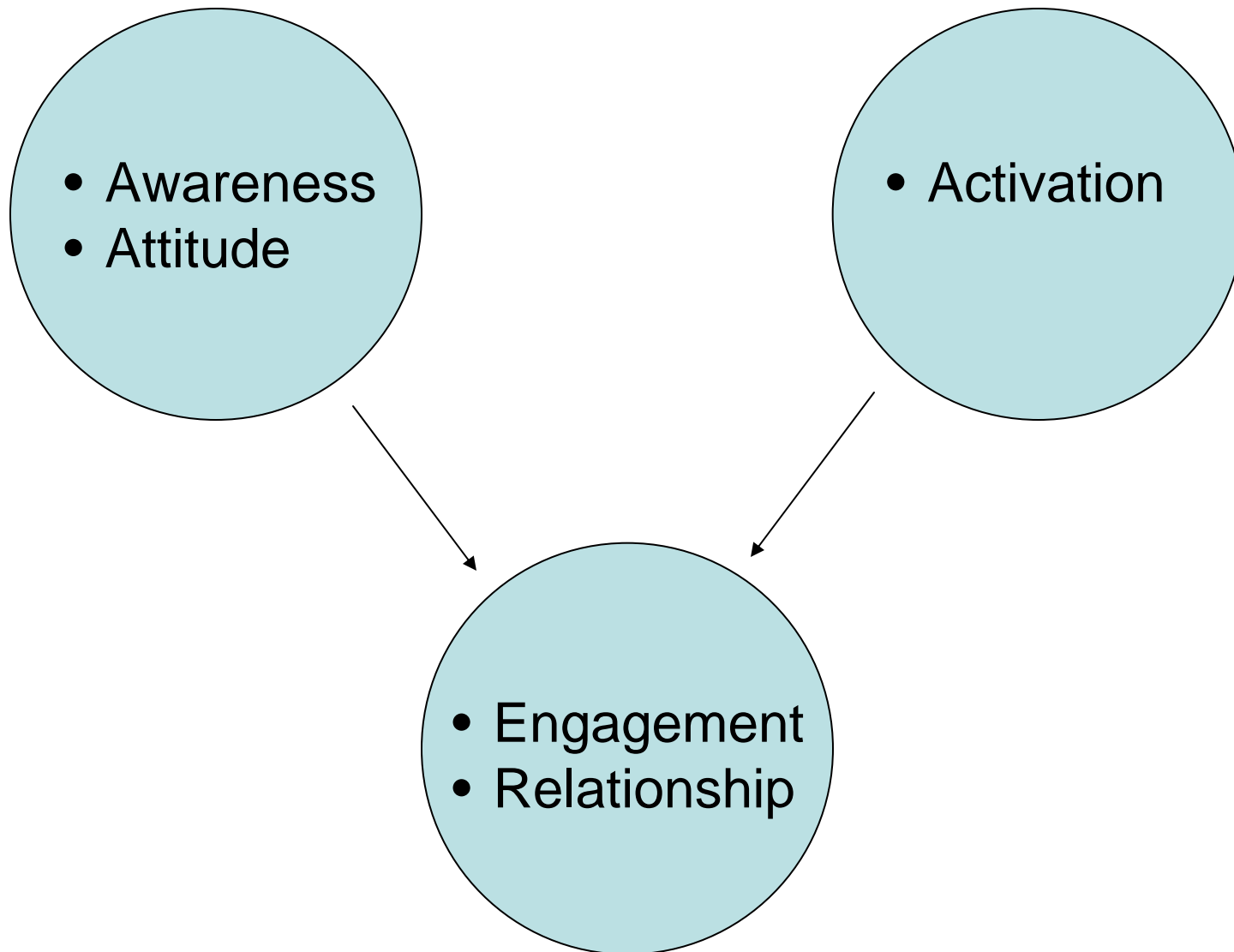
“In the last analysis, after all the cost cutting and reorganizations we have gone through, we are still left with the need to grow the top line. ... [Top line] growth is for the courageous and the imaginative. It means bringing clients to where they would like to be even if they do not know it yet.”

-CEO, Leading Financial Services Co.

- **Creating Brand Awareness**
- **One Way**
- **Major Mass Media**
- **Media Centric**
- **Interrupt & Repeat**



- **Creating Brand Demand**
- **Two Way: Outbound and Inbound**
- **Relevant Consumer Touchpoints**
- **Consumer Centric**
- **Marketing Directly**



“So often our consumer research is a dead weight to thinking instead of being a springboard for finding better ways of connecting with our markets. The problem is inadequate thinking, not inadequate data. ... What do I mean by inadequate thinking? They [managers] are using outdated models of human behavior. Now that I think of it our data is probably inadequate for the same reasons”

- Senior Executive, Pharmaceutical Company

Two “Mental Models” from 20th century marketing which need updating to better create brand demand....

- **Linear Persuasion**

- » $A \rightarrow I \rightarrow D \rightarrow A$

- **Tonnage**

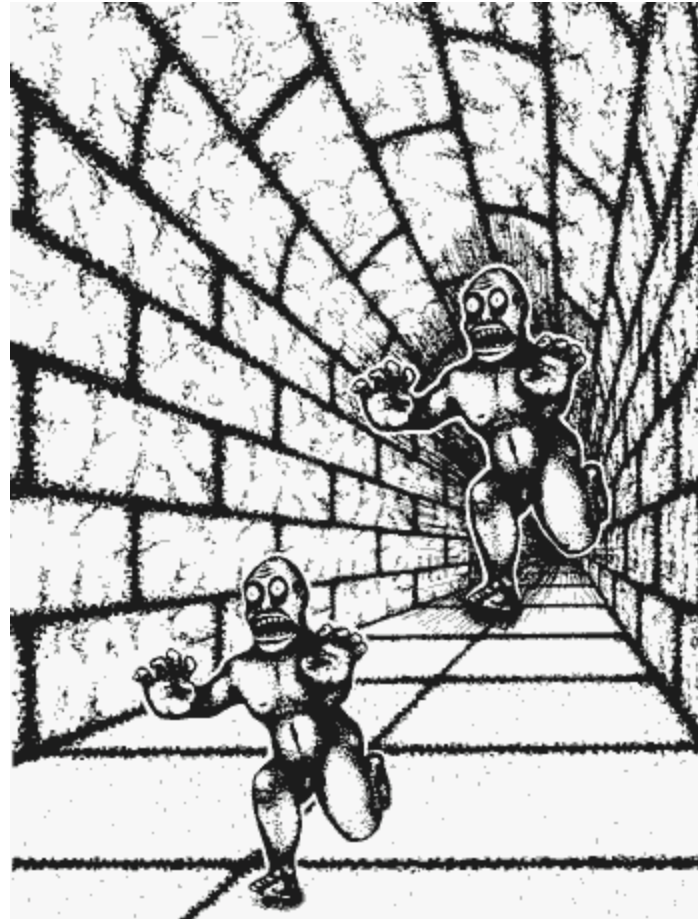
- » Share of Voice = Share of Mind = Share of Market

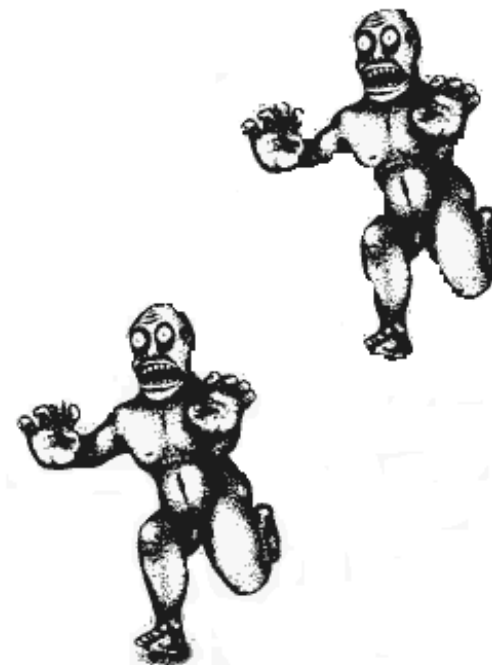
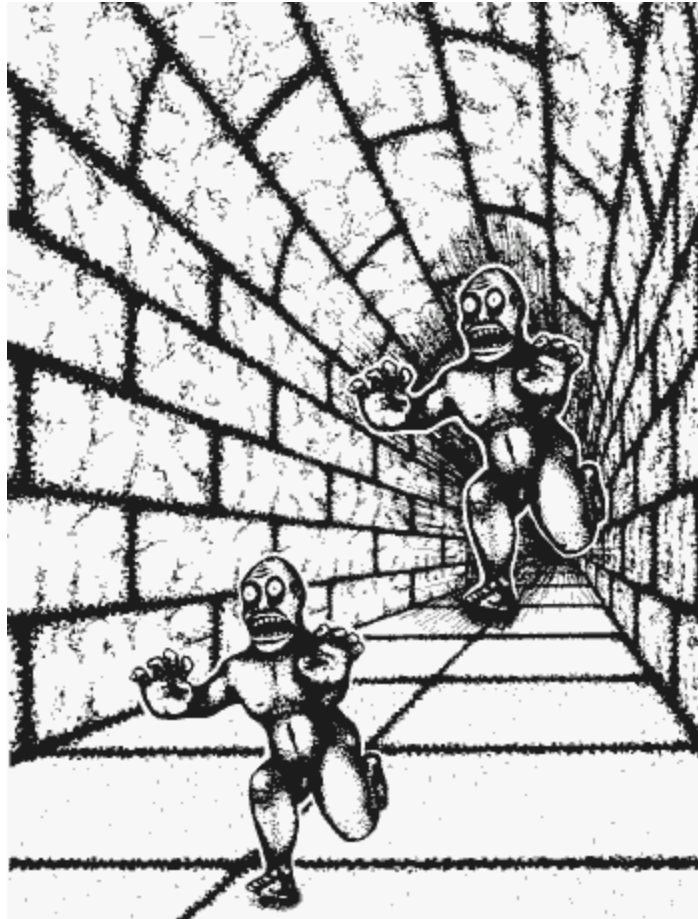
The Brain Manufactures Fact: Co-Creation Instead of Linear Persuasion

“The neural patterns and the corresponding mental images of the objects and events outside the brain are creations of the brain related to the reality that prompts their creation rather than passive mirror images reflecting that reality.”

Antonio Damasio, 2003







The Boston Globe

FRIDAY, AUGUST 4, 1989

“Prostitutes Appeal to Pope”

SporTVView | JACK CRAIG

Ch. 35 celebrates Yaz

The last shall be best, Channel 38 hopes, when it airs a one-hour retrospective on Carl Yastrzemski Sunday night at 8, a week after other TV tributes coinciding with Yaz' induction into the Hall of Fame.

The station has plunged into its film library of Yastrzemski's final nine seasons (1975-83) and has incorporated considerable early career footage from the old Channel 5. The interviews include one with Curt Gowdy, Sox broadcaster for Yaz' first five seasons. Gowdy kept predicting eventual greatness for Yaz while he was going through a terrible slump in his rookie season of 1961.

The documentary will touch an especially tender string when it replays "Carl Yastrzemski," written and sung by Jesse Cain during the 1967 pennant season.

Wellens in right spot

New Channel 56 photographer Bob Wellens was in the right place at the proper time last Saturday night. He was the only cameraman present at the start of the

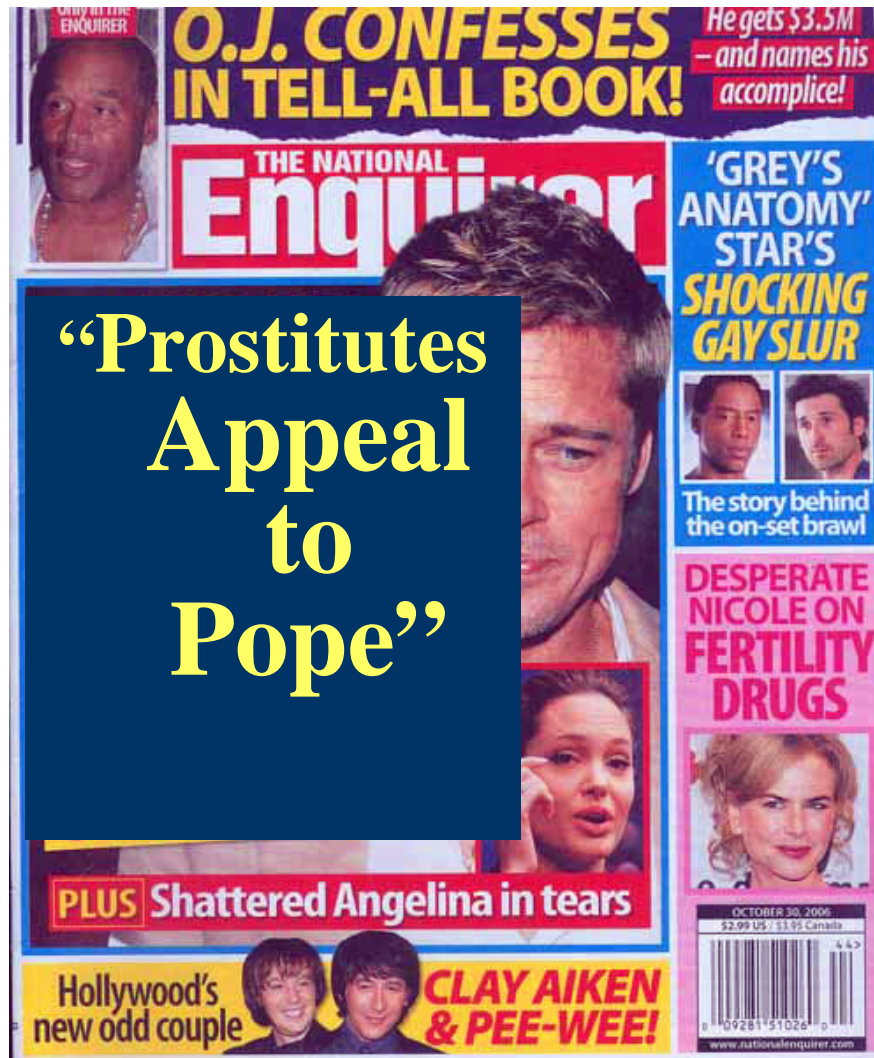
Celtics practice, and he alone captured Larry Bird's fall in which Bird injured his back. The tape initially was shown on Channel 56's "10 O'clock News" that night, then was made available to the other news stations at 11. Within 24 hours, Wellens' film was seen in much of the country.

Friendship pays off

Mike Dowling's relationship with athletes has paid off once again for Channel 5.

When Dowling broke a story on Roger Clemens' arm troubles July 24, the media carried Joe Mergua's denial, based on the manager's subsequent conversation with the pitcher.

It turns out Dowling was correct all the while.



“Engagement is turning on a prospect to a brand idea enhanced by the surrounding context.”

Turned On – Activating associations, experiences and metaphors to co-create personalized brand meaning and co-ownership of the brand

More stories on AdAgeChina.com

- Coke steps up Olympic marketing in China with first ads featuring basketball star Yao Ming.
- Unilever introduces Lipton Hirameki with amino acids, a black tea named for Japanese word for "inspiration."

THE WORLD

Edited by Laurel Wentz, lwentz@adage.com

IPA: Effective ads work on the heart, not on the head



FAME GAME: Marks & Spencer used Lizzie Jagger and Twiggy to turn its reputation around.

Efforts appealing to emotions are profit-boosters, but short-term results are difficult to measure

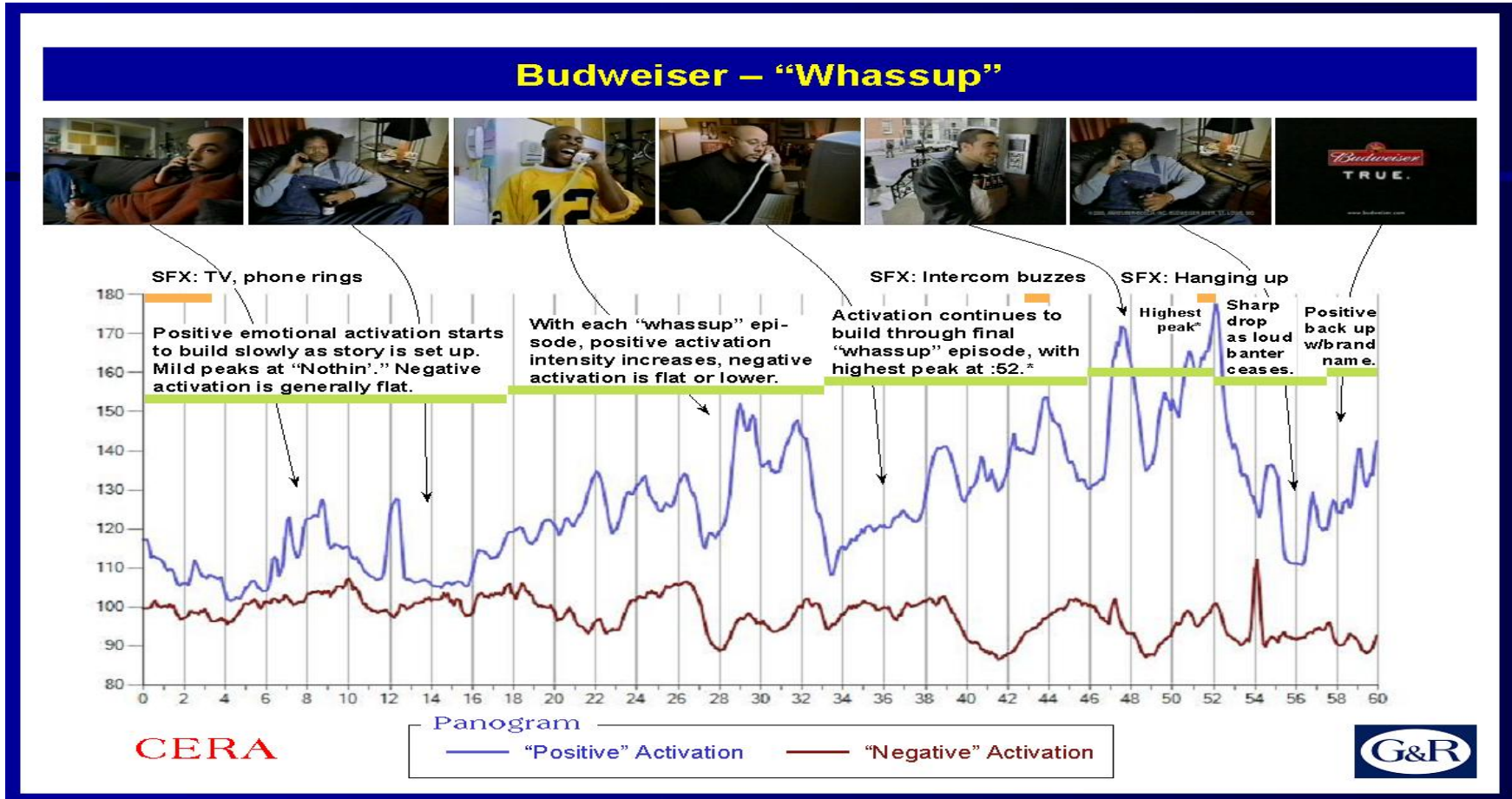
By **EMMA HALL**
ehall@adage.com

able. You should never look at one or even two. Collectively they can be more reliable, but you need to see a

mately outperformed rationally based campaigns on every single business measure—sales, market share, profit,

Engaging storytelling campaigns proved superior in creating relevant, lasting connections with consumers that **enrich brand meaning** and ultimately impact **brand behavior**

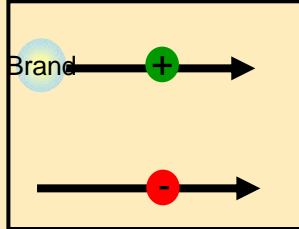




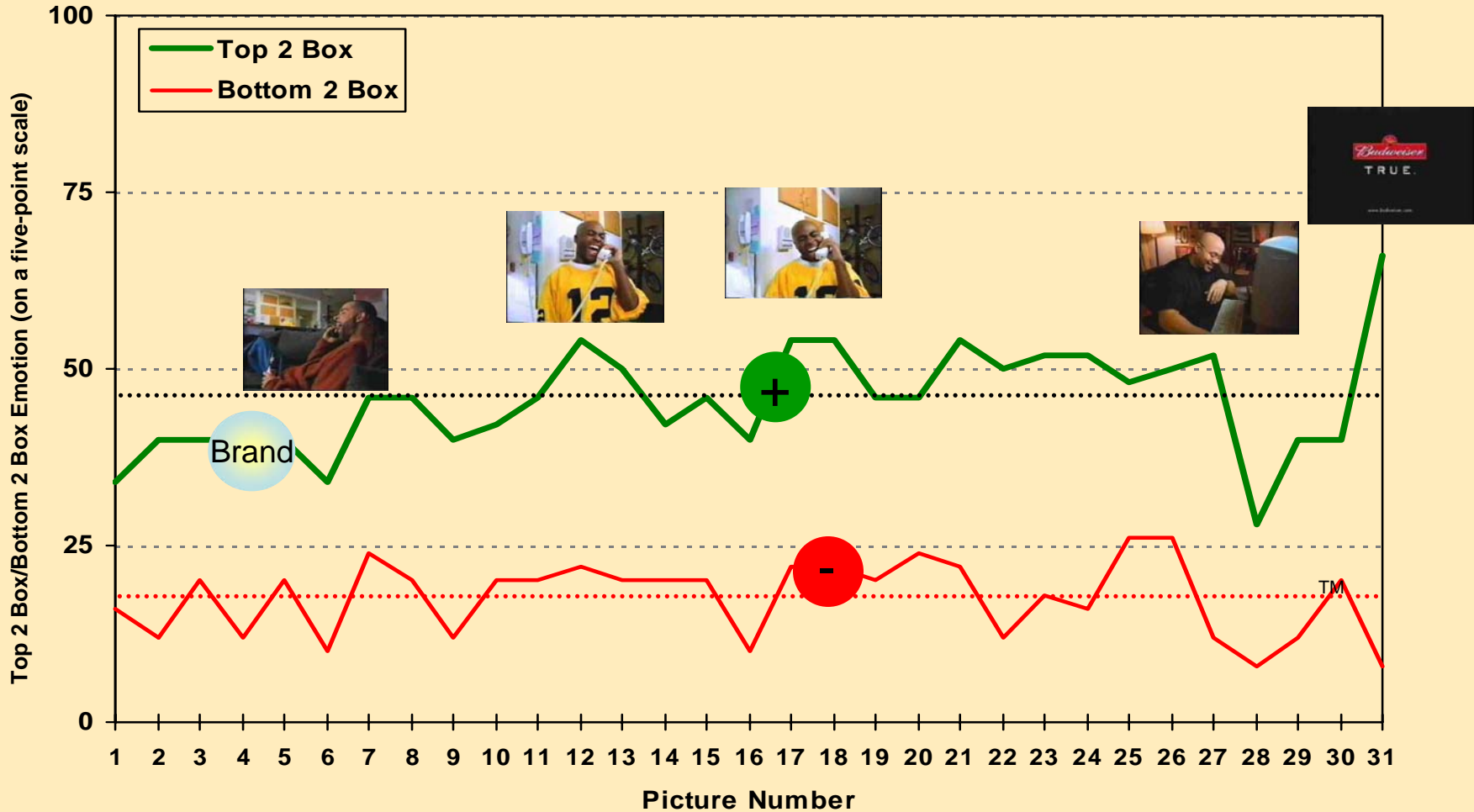
Source: Gallup & Robinson

Flow of Emotion® — Budweiser “Whassup”

Sustained Emotion



- When the brand introduces itself early to badge the cool group, we see the Sustained Emotion structure at work.
- This is edgy advertising --viewers are not neutral about this advertising. How should you feel about this negative emotion?



Note: The Flow of Emotion® is the intellectual property of CY Research, Inc. d/b/a Ameritest®. This technique may not be used without the written permission of or license from CY Research, Inc. Picture Sorts® and Flow of Emotion® are federally registered with the US Patent and Trademark Office.



Top Archetypal Image for Budweiser “Whassup”



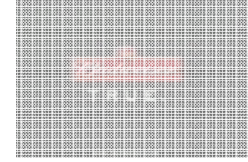
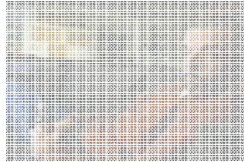
- *Whassup* projects an archetype of *brotherhood* and camaraderie for viewers.



- The visual cuts employed by the filmmaker to create connection between these characters helped this film sustain positive emotion throughout as it maintained the thread of brotherhood through the story.

Budweiser Cue #4 : Wassup sequence

[Audio: Voice of commentator on television]



When the first “Wassup!” is yelled, the feel of the ad changes instantly... the quiet, relaxed scene begins to build with **energy and excitement**.



*They're not saying, “What's up”, but just **the energy that they bring to the “What's up.”** The guy on the other end just says it with even more energy, and it kind of feels like it's **escalating** and these guys are just **going crazy with the energy**. I get a sense of well being. It makes me feel good. (17)*

*The guy in the jersey comes in and **can't just come in and say, “Hey.”** He has to do what's up with his arms way out stretched. Makes as much of an entrance as possible. (What are you thinking at that point watching the ad?) **Oh now here we go. It is going to pick up pace a little bit.** Obviously we are seeing a little change. (27)*

Budweiser Cue #4 : Wassup sequence

[Audio: Voice of commentator on television]



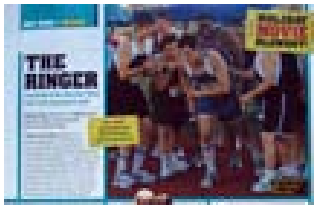
The **fun and goofy** way in which the friends build on each other's "Wassup" reinforces the feeling that they are **close-knit**. This also makes the characters easy to relate to, promoting the idea that Bud is a beer for "**real**" people.



*I can relate in a way because they're **goofing around with each other**, like the same way I would probably goof around with my friends, and they're obviously **having a good time**. (17)*



*They must hang around a lot, because every one of them knew **the inside joke**. They have to be together a lot to do that. They were laughing so much, and it didn't get old or tired, so they were **very down to earth and silly**. **I think drinking Bud is unpretentious**. It's a more relaxed drink I think than say some of the microbrews or some of the imports. You would never see that as a Heineken commercial. (Why not?) I think Budweiser is more marketed to the regular guy. (14)*



*The first guy enters. It looks like he just came over, just arrived, so he is just making his presence known. **I am sure any guy can relate to that**. You are at the bar and suddenly John walks in and is like, "Hey, what's up guys." "Hey, John". Get everyone going a little bit. Okay, I am here the party has started. **It's just guys being guys**. (28)*

Emotional Motivation Stronger than Rational Motivation

	<u>Emotional γ to Loyalty</u>	<u>Rational γ to Loyalty</u>
USA (43)	.49	.35
Asia (24)	.63	.22
Latin America (5)	.52	.29
Europe (46)	.46	.31

“Without the right measurement, we really don’t know how well our efforts work. We don’t know if we are in touch with our consumers. We cannot continue to apply traditional thinking to the new world of technology and marketing channels available to us today.”

Jim Stengel,
Global Marketing Officer
Procter & Gamble

ARF Engagement Validation Consortium Leaders



Relationship is the new paradigm to replace Tonnage

- Beyond Exposure to Directed Marketing at Prospects and Encourage “Conversation”
- Powerful Combination Between Brand Idea, Targeted Message, and Context
- Linked to Brand Preference, Brand Loyalty, and Brand Ambassadors

Congregation

- Same time/place
- Same content
- Same platform

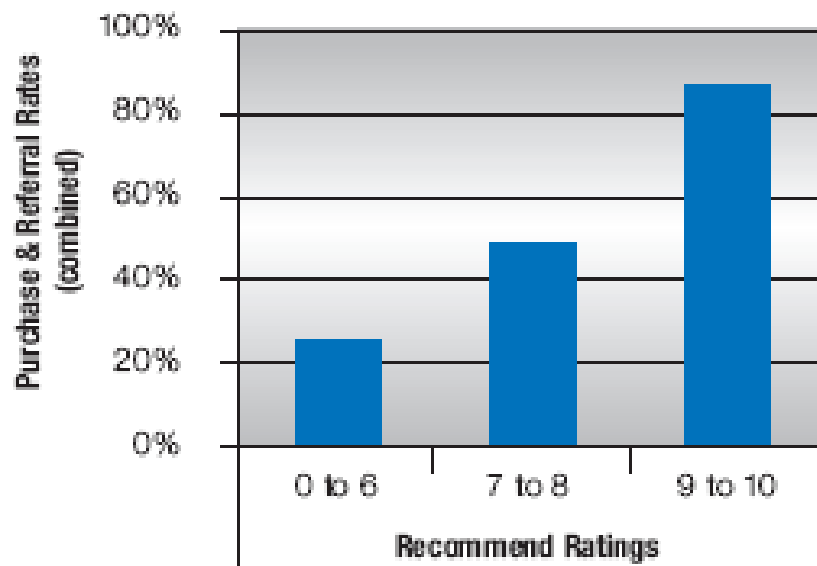
Aggregation

- Same target/person
- Different time/place
- Different Platforms

The 10 Drivers of Magazine Engagement

- The stories absorb me
- I like some ads a lot
- I find the magazine high quality
- I often reflect on it
- It makes me smarter
- I trust it
- I learn things here first
- It improves me and helps me try new things
- I feel good when I read it
- It's my personal time out

Net Promoter: Telecom Category



1. Promoters – customers who were highly likely to recommend a company (i.e., ratings of 9 or 10) and exhibited the highest rates of purchase and referral behaviors
2. Passive – customers who were somewhat likely to recommend a company (i.e., ratings of 7 or 8) and exhibited moderate rates of purchase and referral behaviors
3. Detractors – customers who were less likely to recommend a company (i.e., ratings of 0 thru 6) and exhibited the lowest rates of purchase and referral behaviors.

A focus on Engagement and Relationship builds powerful new brands with loyal, exuberant customers

- iPod
- eBay





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 Simply enter your maximum price and eBay will bid as needed for you. Don't want to wait? Purchase instantly with Buy It Now!

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3 Pay

Pay for your item *PayPal*
 You'll receive an email from eBay explaining how to pay the seller.

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The New Paradigm

$$\begin{array}{l} \text{Engagement} \\ \swarrow \quad \downarrow \quad \searrow \\ \text{idea / message / media} \end{array} + \text{Trust / Relationship} \times \text{Targeted Contacts} = \text{Brand Impact}$$

- Custom Content is “brand relevant”

- CHALLENGE is to be RELEVANT to the CONSUMER
- By understanding target consumer in depth
- .By understanding co-creation of meaning
- .

- CUSTOM CONTENT CAN IMPROVE ENGAGEMENT THROUGH STORYTELLING
-the brand's story
-the customers story
-the value story

- CUSTOM CONTENT CAN BE TRUSTWORTHY IF IT IS ALWAYS:
-consistent with the brands personality
-is transparent
-permits dialogue
-empowers consumers

- EFFECTIVE CUSTOM CONTENT APPEALS TO THE HEAD and THE HEART

Thank You!

ARF White Papers

- Engagement: Definition and Anatomy, March 2006
- Measures of Engagement, June 2006
- Measures of Engagement Vol. II, March 2007
- On the Road to a New Effectiveness Model, July 2007